

## CA CPT Account Test Final Account

Test ID :050

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**Instruction for Question 1 To 50 MCQ**

- Qn.1) Sundry debtors of M/S Santosh amounts to Rs 25,000 and Bad debts Rs 3,000 They provide for doubtful debts @ 2% and for discount @ 1%. The amount of net debtors to be shown in the balance sheet will be:** [1]  
 A. Rs 21,560 B. Rs 22,000 C. Rs 21,780 D. Rs 21,344
- Qn.2) Unexpired license fee is a** [1]  
 A. balance sheet item B. expenses C. income D. owner's capital a/c
- Qn.3) Working capital is \_\_\_** [1]  
 A. Current assets – current liabilities B. Fixed assets – fixed liabilities C. Fixed assets - current liabilities D. Current assets – fixed liabilities
- Qn.4) When adjusted purchase is shown on the debit column of the Trial balance then** [1]  
 A. Both opening stock and closing stock do not appear in the trial balance B. Closing stock is shown in the trial balance and not the opening stock C. Opening stock is shown in the trial balance and not the closing stock D. Both opening and closing stock appear in the trial balance
- Qn.5) The..... is defined as "a Statement which sets out the assets and liabilities of a business and which serves to ascertain the financial position of the same on any particular date."** [1]  
 A. Cash Flow Statement B. Trading A/c C. Profit & Loss A/c D. Balance Sheet
- Qn.6) Fixed assets are double the current assets and half the capital. The current assets are Rs.3,00,000 and investments are Rs.4,00,000. Then the liabilities recorded in balance sheet will be** [1]  
 A. 2,00,000 B. 1,00,000 C. 3,00,000 D. 4,00,000
- Qn.7) From the following details, how much should be charged to profit and loss A/c as bad debts during the current year** [1]  
 Provision for bad debts A/c as on 01.01.06 Rs. 20,000  
 Actual bad debts during 2005-06 Rs. 19,000  
 Debtors balance as on 31.12.06 Rs. 85,000,  
 Debtors include Rs. 5000 due from a customer to whom the firm also owes Rs. 6000 for services rendered by the customers  
 Provision for bad debts to be made @ 5% of total debtors  
 A. Rs. 3,000 B. Rs. 4,300 C. Rs. 2,600 D. Rs. 3,500
- Qn.8) If goods are sold to customers on approval basis and consent is not received during the accounting periods which of the following adjustment entries are passed?** [1]

A.

Debtors a/c	Dr.
To Sales a/c	
&	
Trading a/c	Dr.
To Stock a/c	

B. #c]

Sales A/c	Dr.
To Debtors a/c	
Stock a/c	Dr.
To Trading a/c	

C. D.

Debtors A/c	Dr.
To Trading A/c	
Trading A/c	Dr.
To Stock A/c	

**Qn.9) Which of the following statement contains all the types of account i.e. personal, real & nominal account?** [1]

A. Balance sheet B. Trial balance C. Income statement D. None of above

**Qn.10) Interest on partners loan is payable in the absence of any agreement** [1]

A. at the rate of 12% B. at the rate of 6% C. at the rate at which interest on capital is payable D.

**Qn.11) Goods worth Rs.5,000 were supplied to Mr. X at an invoice price of 20% above cost and allowed trade discount at 10% on invoice price. The amount of sale will be Rs. \_\_\_\_** [1]

A. 5,400 B. 5,500 C. 5,625 D. 6,600

**Qn.12) Goodwill is** [1]

A. A current asset B. An intangible fixed asset C. A tangible fixed asset D. An investment

**Qn.13) While preparing final account, to record closing stock which of the following adjustment entry will be passed?** [1]

A.

Purchases A/c	Dr.
To Stock A/c	

B.

Trading A/c	Dr.
To Stock A/c	

C.

Stock a/c	Dr.
To Capital A/c	

D.

Stock A/c	Dr.
To Capital A/c	

**Qn.14) Provision for discount on debtors is calculated on the amount of debtors.** [1]

A. Before deducting provision for doubtful debts. B. After deducting provision for doubtful debts. C. Before deducting actual debts and provision for doubtful debts. D. After adding actual bad and doubtful debts.

**Qn.15) Prepaid Rent is shown as :** [1]

A. Current asset B. Current Liability C. Fixed asset D. Income

**Qn.16) Cost of goods sold = Rs 15,00,000, Gross Profit = 20% on sales Calculate the amount of Sales.** [1]

A. Rs 18,25,000 B. Rs 18,75,000 C. Rs 18,50,000 D. Rs 19,00,000

**Qn.17) Goods given as charity credited to \_ account** [1]

A. charity B. purchases C. drawings D. sales

**Qn.18) What will be the treatment of "accrued income" if appearing in the Trial Balance:** [1]  
 A. It will be shown on the assets side as current assets in the balance sheet. B. It will be shown on the liability side as current liability in the balance sheet, C. It will be shown on the debit side of trading account as an expense, D. It will be shown on the credit side of profit and loss account as an income.

**Qn.19) Incoming partner paying for goodwill is to be shared by old partners according to** [1]  
 A. profit sharing ratio B. sacrificing ratio C. capital ratio D.

**Qn.20) If sales is Rs. 2,00,000 and the rate of gross profit on cost of goods sold is 25%, then the cost of goods sold will be.....** [1]  
 A. Rs. 2,00,000 B. Rs. 1,50,000 C. Rs. 1,60,000 D. Rs. 1,40,000

**Qn.21) Salaries paid in cash Rs 2,00,000. It includes previous year's outstanding Rs 10,000 and salary paid in advance for the next year Rs 20,000. Salary outstanding for the year is Rs 15,000. Salary of shall be debited in the profit and loss account.** [1]  
 A. Rs 2,25,000 B. Rs 1,85,000 C. Rs 2,05,000 D. Rs 1,75,000

**Qn.22) Opening Stock (+) purchase (-) consumption is** [1]  
 A. sales B. purchase return C. sales return D. closing stock

**Qn.23) While preparing final account, to record outstanding expenses which of the following adjustment entry will be passed?** [1]

A.

Expenses A/c	Dr.
To Outstanding a/c	

B.

Outstanding Expenses A/c	Dr.
To Expenses A/c	

C.

Profit & Loss	Dr.
To Outstanding Expenses A/c	

D.

Outstanding Expenses A/c	Dr.
To Profit & Loss A/c	

**Qn.24) Opening debtors =3,000 Credit Sales = 80,000 Cash received from debtors = 60,000 Closing Debtors?** [1]  
 A. Rs 30,000 B. Rs 32,000 C. Rs 23,000 D. Rs 20,000

**Qn.25) Salary paid during the year - Rs. 35,000.Salary outstanding on 1.4.2011 - Rs. 2,500,Salary outstanding on 31.3.2012 - Rs. 7,500.Net salary debited to profit & loss account for the year ended 31.3.2012 should be** [1]  
 A. Rs. 40,000 B. 30,000 C. Rs. 25,000 D. Rs. 45,000

**Qn.26) Debtors as per trial balance - Rs. 40,600Bad debt not yet provided - Rs. 600Provision for debt to be made at 5% on sundry debtors.Provision for discount on debtors to be created @ 2%Amount of provisions for discount on debtors - Rs.** [1]  
 A. Rs. 760 B. Rs. 600 C. Rs. 2,000 D. Rs. 2,600

**Qn.27) Final accounts include preparation of.....** [1]  
 A. Trading A/c B. Profit & Loss A/c C. Balance Sheet D. All of the above

**Qn.28) Arrange the following assets as per liquidity order.Cash & BankBuildingInvestmentStock** [1]  
 A. II, III, I, IV B. I, II, III, IV C. I, IV, III, II D. I, IV, II, III

**Qn.29) Net profit before charging managerial commission Rs. 65,000 if the managerial commission is 11% of net profit before charging such commission, what will be managerial commission?** [1]  
 A. Rs. 6,946 B. Rs. 7,230 C. Rs. 7,150 D. Rs. 6,860

**Qn.30)** [1]

	Rs
Opening stock	75,000
Closing stock	87,500
Cost of goods sold	1,50,000
Gross profit ratio on sales	25%

**From the above information calculate - Gross profit = ?, Sales = ?, Purchases = ?**

A. Gross profit = Rs. 37,500, Sales = Rs. 1,87,500, Purchases = Rs. 1,12,500 B. Gross profit = Rs. 37,500, Sales = Rs. 2,00,000, Purchases = Rs. 1,62,500 C. Gross profit = Rs. 50,000, Sales = Rs. 2,00,000, Purchases = Rs. 1,62,500 D. Gross profit = Rs. 50,000, Sales = Rs. 2,00,000, Purchases = Rs. 1,12,500

**Qn.31) Only Personal and Real accounts are shown in :** [1]  
 A. Trial balance B. Balance Sheet C. Trading A/c D. Profit & Loss A/c

**Qn.32) Capital Reserve comes under** [1]  
 A. Part of uncalled capital B. CRR C. Accumulated profits D. Reserve capital

**Qn.33) The balance of petty cash is** [1]  
 A. An expense B. Income C. An asset D. liability

**Qn.34) A new firm commenced business on 1<sup>st</sup> January 2006 and purchased goods costing Rs. 90,000 during the year. A sum of Rs. 6,000 was spent on freight inwards. At the end of the year the cost of goods still unsold was Rs. 12,000. Sales during the year Rs. 1,20,000. What is the gross profit earned by the firm?** [1]  
 A. Rs. 36,000 B. Rs. 30,000 C. Rs. 42,000 D. Rs. 38,000

**Qn.35) While preparing final account, to record commissions payable to manager - which of the following adjustment entry will be passed?** [1]

- A.
- |                          |                           |
|--------------------------|---------------------------|
| Profit & Loss A/c<br>Dr. |                           |
|                          | To Commission Payable A/c |
- B.
- |                        |                      |
|------------------------|----------------------|
| Commission Payable A/c | Dr.                  |
|                        | To Profit & Loss A/c |
- C.
- |                    |                           |
|--------------------|---------------------------|
| Manager a/c<br>Dr. |                           |
|                    | To Commission Payable A/c |
- D.
- |                          |                |
|--------------------------|----------------|
| Profit & Loss A/c<br>Dr. |                |
|                          | To Manager a/c |

**Qn.36) Sales are equal to** [1]  
 A. Cost of goods sold – Gross profit B. Cost of goods sold + Gross profit C. Gross profit – Cost of goods sold D. Cost of goods sold + Net profit

**Qn.37) Total Debtors of a firm is Rs.48000 before deduction of bad debts and after allowing discount. Bad debts Rs.2000 and discount allowed Rs.100. PBD is to be created at 5% The amount to be debited to P&L A/C for PBD is** [1]  
 A. Rs.3000 B. Rs.2300 C. Rs.2305 D. None

**Qn.38) Trading Account is a :** [1]  
 A. Personal Account B. Real Account C. Nominal account D. None of these

**Qn.39) The arrangement of assets and liabilities in accordance with a particular order is known as** [1]  
 .....  
**Of balance sheet.**  
 A. Tallying B. Making C. Ruling D. Marshalling

**Qn.40) Net profit before charging commission to manager Rs. 2,20,000. The manager is entitled to commission of 10% on net profit before charging such commission. The commission payable to manager will be Rest.....** [1]  
 A. Rs. 21,802 B. Rs. 24,200 C. Rs. 22,000 D. 20,000

**Qn.41) Opening Stock Rs 5,000 Purchases Rs 15,000 Direct expenses Rs 2,000 Closing Stock Rs 2,500 Cost of goods sold = ?** [1]  
 A. Rs 20,000 B. Rs 19,500 C. Rs 21,500 D. Rs 22,000

**Qn.42) Opening Stock Rs 8,500** [1]  
**Purchases Rs 30,700**  
**Direct expenses Rs 4,800**  
**Indirect expenses Rs 5,200**  
**Closing Stock Rs 9,000**  
**Cost of goods sold will be :**  
 A. Rs 30,000 B. Rs 35,000 C. Rs 32,000 D. Rs 40,000

**Qn.43) Working capital is** [1]  
 A. Current Assets - Current liabilities B. Fixed Assets- Current liabilities C. Fixed Assets - liabilities D. Fixed Assets - Current Assets

**Qn.44) In case of final accounts of manufacturing concerns closing stock of finished goods appears in.....&.....** [1]  
 A. Manufacturing Account, Balance Sheet B. Trading Account, Balance Sheet C. Profit & Loss Account, Balance Sheet D. Manufacturing Account, Trading Account

**Qn.45) The Zed Company, a whole seller estimates the following sales for the indicated months:** [1]

	Jun-06	Jul-06	Aug-06
	Rs.	Rs.	Rs.
Opening Stock	4,08,000	4,34,400	4,60,800
Credit Sales	15,00,000	16,00,000	17,00,000
Cash Sales	2,00,000	2,10,000	2,20,000
Total Sales	17,00,000	18,10,000	19,20,000

**Selling price is 125% of the purchase price. The cost of goods sold for the month of June, 2006 is:**  
 A. Rs. 1,520,000 B. Rs. 1,402,500 C. Rs. 1,275,000 D. Rs. 1,360,000

**Qn.46) Interest paid on loan taken for purchase of asset should be debited to** [1]  
 A. Interest Account B. Asset Account C. Profit and Loss Account D. Trading Account

**Qn.47) A company wishes to earn a 20% profit margin on selling price. Which of the following is the profit** [1]

**mark up on cost, which will achieve the required profit margin?**

A. 33% B. 25% C. 20% D. None of the above

**Qn.48) Profit for 4 years of a firm are Rs. 30,000, Rs. 43,000, Rs. 52,000 and Rs. 64,000 respectively. [1]  
Goodwill is to be calculated at 2 years purchase of weighted average profit.**

A. Rs. 2,64,000 B. Rs. 1,05,600 C. Rs. 94,500 D. Rs. 3,78,000

**Qn.49) From the following information, find out the missing information. Opening stock - Rs. 50,000, [1]  
Closing stock - Rs. 1,50,000 Sale - Rs. 16,00,000, Gross profit ratio is 25% on sales. Purchases = ?**

A. Rs. 10,00,000 B. Rs. 11,50,000 C. Rs. 9,50,000 D. Rs. 13,00,000

**Qn.50) Value of goods withdrawn by the proprietor for his personal use should be credited to \_\_\_\_ [1]**

A. Capital A/c B. Sales A/c C. Drawings A/c D. Purchases A/c