

CPT Account Test paper Joint Venture

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Instruction for Question 1 To 50 MCQ

- Qn.1)** A purchased goods costing Rs. 2,00,000. B sold the goods for Rs. 2,80,000. Unused material costing Rs. 10,000 taken over by A at Rs. 8000. A is entitled to get 1% commission on purchase. B is entitled to get 2% commission on sales. Profit sharing ratio equal. A's share of profit on venture will be:
A. Rs. 40,000 B. Rs. 40,400 C. Rs. 40,600 D. Rs. 40,200 [1]
- Qn.2)** A and B enter into joint venture for purchase and sale of Type-writer. A purchased Typewriter costing Rs. 100000. Repairing expenses Rs. 10000, Printing expenses Rs. 10000. B sold it at 20% margin on selling price. The sales value will be:
A. Rs. 125,000 B. Rs. 150,000 C. Rs. 100,000 D. Rs. 140,000 [1]
- Qn.3)** A and B entered into joint venture. A supplied goods worth Rs. 7,000 and incurred expenses of Rs. 300. B sold the goods for Rs. 10,000 and incurred expenses of Rs. 500. What is the amount of final remittance?
A. Rs. 8,400 B. Rs. 7,900 C. Rs. 8,900 D. None of these [1]
- Qn.4)** A and B enter into a Joint venture by opening a joint bank account contributing Rs. 10,00,000. The profit sharing ratio between A and B is 3:2. How much amount to be contributed by A?
A. Rs. 6,00,000 B. Rs. 4,00,000 C. Rs. 3,00,000 D. Rs. 5,00,000 [1]
- Qn.5)** A and B enter into a joint venture sharing profit and losses in the ratio 3:2. A purchased goods costing Rs. 200,000. B sold 95% goods for Rs. 2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. Remaining goods are stolen. What will be the final remittance?
A. B will remit Rs. 2,15,300 to A B. B will remit Rs. 2,23,300 to A C. B will remit Rs. 2,06,200 to A D. B will remit Rs. 2,18,700 to A [1]
- Qn.6)** Kamal and Shamal entered into joint venture to purchase and sell plots. Kamal contributed Rs. 500000 and Shamal Rs. 250000 and the amount deposited into joint bank account. The transactions of the venture were as follows :1. Purchased land Rs. 250000
2. Incurred development expenses Rs. 100000
3. Shamal paid registration fees Rs. 12500
4. 3/4 land was sold at Rs. 376250
5. The remaining land was taken over by Kamal for Rs. 100000
A. Rs. 13750 B. Rs. 56875 C. Rs. 113750 D. Rs. 126250 [1]
- Qn.7)** For material supplied from own stock by any of the venturer, the correct journal entry will be (In case of separate sets of books)
A. Joint Venture A/c will be debited and Venturers Capital A/c will be credited B. Joint Venture A/c will be debited and Joint Bank A/c will be credited C. Joint Venture A/c will be debited and Material A/c will be credited D. Joint Bank A/c will be debited and Joint Venture A/c will be credited [1]
- Qn.8)** Following are the characteristics of joint venture except:
A. No common firm name B. Contribution of funds C. Sharing of profits/losses D. None of these [1]
- Qn.9)** C and D entered in to Joint venture to construct a bridge. They did not open separate set of books. They shared profits and losses as 3:2. C contributed Rs. 150,000 for purchase of materials. D paid wages amounting Rs. 80,000. Other expenses were paid as C – 5000 D- 15000 C purchased on machine for Rs. 20000. The machine was taken over by C for Rs. 10000. Total contract value of Rs. 300000 was received by D. What will be the profit on venture?
A. Rs.30,000 B. Rs.40,000 C. Rs.20,000 D. Rs.15,000 [1]
- Qn.10)** A and V enter into a joint venture to sell a consignment of biscuits sharing profits and losses equally. A provides biscuits from stock Rs. 10000. He pays expenses amounting to Rs. 1000. V incurs further expenses on carriage Rs. 1000. He receives cash for sales Rs. 15000. He also takes over goods to the value of Rs. 2000. Find out profit on venture?
A. Rs. 3,000 B. Rs. 5,000 C. Rs. 6,000 D. Rs. 3,500 [1]
- Qn.11)** Which of the following statement is not true?
A. Joint venture is going concern B. Joint venture is terminable in nature C. Joint venture does not follow accrual basis of accounting D. The co-venturer shares the profit in agreed ratio [1]

- Qn.12) Which of the following methods of valuation of closing stock is followed in joint venture accounting?** [1]
A. Net realizable value B. Cost price C. Least of cost or Net realizable value D. None of these
- Qn.13) When goods are purchased for the joint venture, the account to be debited is** [1]
A. purchase account B. Joint Venture Account C. Venturer's Capital Account D. Consignee's Account
- Qn.14) A and B enter into a joint venture sharing profit and loss equally. A purchased 5000 Kg of rice @ Rs. 50/Kg. B purchased 1000Kg of wheat @ Rs. 60/Kg. A sold 1000Kg of wheat @ Rs. 70/Kg and B sold 5000 Kg of rice @ Rs. 60/Kg. The profit on venture when same sets of books is maintained will be:** [1]
A. Rs. 110,000 B. Rs. 100,000 C. Rs. 120,000 D. Rs. 60,000
- Qn.15) A bought goods of the value of Rs. 10000 and consigned them to B to be sold by them on a joint venture, profit being divided equally. A paid Rs. 1000 for freight and insurance. A draw a bill on B for Rs. 10,000. A got it discounted at Rs. 9500. B sold the goods for Rs. 15000. Commission payable to B, Rs. 500. The amount to be remitted by B to A will be:** [1]
A. Rs. 12,500 B. Rs. 13,000 C. Rs. 14,500 D. Rs. 13,500
- Qn.16) A, B and C are co-venturer. The relative profit sharing ratio between A and B is 3:2 and between B and C is also 3:2. Find out the PSR between A,B and C.** [1]
A. 3:02:02 B. 9:06:04 C. 4:03:02 D. 3:02:01
- Qn.17) Satish of Sholapur and Subhash of Kolhapur entered into joint venture to consign 1000 wheat bags to Shyam of Pune, to be sold on their joint risk which is in proportion to $\frac{3}{4}$ and $\frac{1}{4}$ respectively. Satish sent 700 bags of wheat @ Rs. 300 each, paying insurance Rs. 500, freight Rs. 4000 and other charges Rs. 200. Subhash sent 300 wheat bags @ Rs. 280 per bag, paying insurance Rs. 300 and sundry expenses Rs. 400. Satish drew a bill on Subhash for Rs. 30000 as an advance and was discounted at a discount of Rs. 600. The discount be treated as joint venture expense. All the bags were sold by Shyam for Rs. 350000 out of which he deducted Rs. 7000 for his expenses and 3% for commission on total sales. Profit on Joint Venture** [1]
A. Rs. 24375 B. Rs. 8215 C. Rs. 32500 D. None of the above
- Qn.18) For opening Joint Bank account, in case of separate sets of books:** [1]
A. Venture A/c will be debited and Venturers A/c will be credited. B. Joint Bank A/c is debited and Venturers Capital A/c is credited. C. Joint Venture A/c is debited and Joint Bank A/c will be credited D. Joint Bank A/c will be debited and Joint Venture A/c will be credited
- Qn.19) A purchased goods costing Rs. 42,500. B sold goods costing Rs. 40,000 at Rs. 50,000. Balance goods were taken over by A at same gross profit percentage as in case of sale. The amount of goods taken over will be:** [1]
A. Rs. 3,125 B. Rs. 2,500 C. Rs. 3,000 D. None
- Qn.20) R and M entered into a joint venture to purchase and sell New Year gifts. They agreed to share the profit and losses equally. R purchased goods worth Rs. 100000 and spent Rs. 10000 in sending the goods to M. He also paid Rs. 5000 for insurance. M spent Rs. 10,000 as selling expenses and sold goods for 200000. Remaining goods were taken over by him at Rs. 5,000. What will be the amount to be remitted by M to R as final settlement?** [1]
A. Rs. 1,55,000 B. Rs. 1,50,000 C. Rs. 1,15,000 D. Rs. 80,000
- Qn.21) Goods of Rs.600 (sales price) sent on approval basis were included in the sales bok. The profit included in the sales was 20% on cost .Stock with the party will increase closing stock by.....a.** [1]
A. Rs. 600 B. Rs. 500 C. Rs. 400 D. None of three
- Qn.22) A and B purchased a piece of land for Rs. 20,000 and sold it for Rs. 60,000 in 2005. Originally A had contributed Rs. 12,000 and B Rs. 8000. What will be the profit on venture?** [1]
A. Rs. 40,000 B. Rs. 20,000 C. Rs. 60,000 D. Nil
- Qn.23) A and B enter into a joint venture sharing profit and loss equally. A purchased 5000 Kg of rice @ Rs. 50/Kg. B purchased 1000Kg of wheat @ Rs. 60/Kg. A sold 1000Kg of wheat @ Rs. 70/Kg and B sold 5000 Kg of rice @ Rs. 60/Kg. What will be the final remittance?** [1]
A. B will remit Rs. 210,000 to A B. A will remit Rs. 210,000 to B C. A will remit Rs. 200,000 to B D. B will remit Rs. 180,000 to A
- Qn.24) Ashish and Satish entered into Joint Venture to undertake the construction of a market hall for an agreed value of Rs. 1000000. The contract price is to be received in cash. They opened a bank** [1]

account with their joint names and deposited therein \. Ashish Rs. 200000 and Satish Rs. 100000 as their initial contribution. They share profits in their initial contribution ratio. The following expenses were incurred form the joint bank account :

- a] Purchase of materials – Rs. 400000
- b] Payment of wages – Rs. 350000
- c] Purchase of plant – Rs. 60000

Ashish paid Rs. 20000 towards Architet’s fees and Satish brought in a mixture worth Rs. 60000 The work was completed and contract price was received as per agreement. Ashish took over unused materials of Rs. 30000 and Satish took back the mixer at Rs. 40000. The plant was sold in market for Rs. 30000.

- A. Loss Rs. 210000 B. Profit Rs. 140000 C. Profit Rs. 210000 D. Loss Rs. 70000

- Qn.25) Karim and Rahim enter a joint venture sharing profits in 2:1. Karim purchases goods of Rs. 2,00,000 and Rahim sells goods of Rs. 2,50,000. Karim gets 1% commission on purchase and Rahim gets 5% commission on sales. Find profit on joint venture. [1]
 A. Rs. 35,500 B. Rs. 36,000 C. Rs. 34,000 D. Rs. 38,000
- Qn.26) A bought goods of the value of Rs. 10000 and consigned them to B to be sold by them on a joint venture, profit being divided equally. A paid Rs. 1000 for freight and insurance. A draw a bill on B for Rs. 10,000. A got it discounted at Rs. 9500. B sold the goods for Rs. 15000. Commission payable to B, Rs. 500. Find out the profit on venture? [1]
 A. Rs. 3,000 B. Rs. 3,500 C. Rs. 4,000 D. Rs. 3,200
- Qn.27) The doctrine of implied authority is to co-ventures whereas it.....to partnership. [1]
 A. Is applicable, not applicable B. Not applicable, is applicable C. Not applicable, not applicable D. None of the above
- Qn.28) M and N enter into a Joint Venture where M supplies goods worth Rs. 6000 and spends Rs. 100 on various expenses. N sells the entire lot for Rs. 7500 meeting selling expenses amounting to Rs. 200. Profit sharing ratio equal. N remits to M the amount due. The amount of remittance will be: [1]
 A. Rs. 6,700 B. Rs. 7,300 C. Rs. 6,400 D. Rs. 6,100
- Qn.29) A and B enter into joint venture sharing profit and loss equally. A purchased 100 Kg of rice @ Rs. 20/Kg. Brokerage paid Rs. 200, carriage paid Rs. 300. B sold 90 Kg of rice @ Rs. 22/kg. Balance rice was taken over by B at cost. The value of rice taken over to be recorded in joint venture will be [1]
 A. Rs. 200 B. Rs. 250 C. Rs. 230 D. Rs. 220
- Qn.30) A and B enter into a joint venture to underwrite the shares of K Ltd. K Ltd make an equity issue of 100000 equity shares of Rs. 10 each. 80% of the issues are subscribed by the party. The profit sharing ratio between A and B is 3:2. The balance shares not subscribed by the public, purchased by A and B in profit sharing ratio. How many shares to be purchased by A. [1]
 A. 80,000 shares B. 72,000 shares C. 12,000 shares D. 8,000 shares
- Qn.31) If any stock is taken over by the venturer, it will be treated as an: [1]
 A. Income of the joint venture, hence credited to Joint Venture Account B. Expenses of Joint Venture, hence debited to Joint Venture Account C. To be ignored from Joint Venture Transaction D. It will be treated in the personal book of the venturer and not in the books of Joint Venture.
- Qn.32) A and B enter into a joint venture to underwrite shares of K Ltd. K Ltd make an equity issue of 200000 equity shares. 80% of the shares underwritten by the venturer. 160000 shares are subscribed by the public. How many shares are to be subscribed by the venturer? [1]
 A. Nil B. Rs.32,000 C. Rs.36,000 D. None
- Qn.33) A purchased goods costing 100000. B sold the goods for Rs. 150000. Profit sharing ratio between A and B equal. If a same set of books is maintained, what will be the final remittance? [1]
 A. B will remit Rs. 125000 to A B. B will remit Rs. 150000 to A C. A will remit Rs. 100000 to B D. B will remit Rs. 25000 to A
- Qn.34) Sanjay, Ajay and Vijay undertook the construction of building at a contract price of Rs. 600000 payable in cash Rs. 400000 and in the form of debentures of company Rs. 200000. They shared profits and losses in the ration of 3:2:1 respectively. They opened a Joint Bank Account wherein they deposited the following amounts. Sanjay Rs. 300000, Ajay Rs. 200000 and Vijay Rs. 100000. The following payments are made out through Joint Bank Account. [1]

Particulars	Rs
Purchase	250000

Purchase of plant	45000
Purchase of wages	77000
Other Charges	11000

Sanjay brings the truck of Rs. 40000, Ajay brings in the material of Rs. 55000, Vijay brings mixer worth Rs. 10000. At the close of venture the unused materials were taken by Sanjay for Rs. 5000. Ajay took over the mixer and plant for Rs. 27000. The truck was sold in the market for Rs. 22000. The contract price was received as per the agreement and Vijay agreed to take over the debentures at Rs. 190000.

A. Profit Rs. 156000 B. Loss Rs. 156000 C. Profit Rs. 166000 D. Profit Rs. 176000

- Qn.35) Memorandum joint venture account is prepared:** [1]
A. When separate set of books is maintained B. When each co-venturer keeps record of all the transactions himself C. When each co-venturer keeps records of their own joint venture transaction D. None of these
- Qn.36) Mangesh and Mahesh entered into Joint venture to produce an advertisement firm for SANKET TRADER'S at a contract price of Rs. 80000. They opened a joint bank account with Bank of Maharashtra in which Mangesh deposited Rs. 20000 and Mahesh Rs. 40000. They agreed to share profits and losses equally. Mangesh purchased raw Films for Rs. 16000 and Mahesh a Camera for Rs. 7000. They paid from joint bank account :Artist's fees – Rs. 26000. Hire of Sets – Rs. 4000 and Technician's charges – Rs. 20000. The film was completed but due to certain defects in film the contract price reduced by 10%, the amount received by cheque from Sanket Trades. At the end of the venture the camera was sold for Rs. 5000 and Mangesh took over the Unused Film for Rs. 1000** [1]
A. Profit Rs. 5000 B. Loss Rs. 5000 C. Loss Rs. 2500 D. Profit Rs. 17000
- Qn.37) Amar of Aurangabad and Akbar of Latur enter into a Joint Venture to consign 100 bales of cotton to Anthony of Bombay to be sold at their equal risk. Amar sends 60 bales at Rs. 12000 each and pays Rs. 18000 for freight and other charges. Akbar sends 40 bales at Rs. 11000 each and pays Rs. 10000 for freight and other charges. Anthony sells full consignment of 100 bales for Rs. 1500000. He charges Rs. 10000 as his commission and other expenses and remits the balance fully to Akbar. Profit on Joint Venture** [1]
A. Rs. 151000 B. Rs. 302000 C. Rs. 312000 D. Rs. 320000
- Qn.38) The parties to joint venture are called** [1]
A. Co-venturers B. Partners C. Principal and agent D. Friends
- Qn.39) A purchased 1000 kg of rice costing Rs. 200 each. Carriage 2000, insurance 3000. 4/5th of the boxes were sold by B at Rs. 250 per boxes. Remaining stock was taken over by B at cost. The amount of stock taken over will be** [1]
A. Rs. 40,000 B. Rs. 41,000 C. Rs. 50,000 D. Rs. 50,200
- Qn.40) Joint venture may be understood as a** [1]
A. Temporary partnership B. Partnership at will C. Limited partnership D. Consortium of entrepreneurs
- Qn.41) X spending of sum of Rs. 10,000 on account of joint venture, will be credited to —— account in case of the records being maintained in the books of X:** [1]
A. Memorandum J.V. B. Joint Venture C. Co – Venturers D. Cash
- Qn.42) Which of the following statement is true?** [1]
A. There is no difference between joint venture and partnership B. Consignment and joint venture is same C. In case of joint venture, none of the act is applicable D. In case of joint venture, the number of related party is one only
- Qn.43) Joint venture account is a** [1]
A. Nominal Account B. Real Account C. Artificial Personal Account D. Representative Personal Account
- Qn.44) If venturer draws a bill on his co-venturer and if the drawer discounts the bill with same sets of books maintained, the discounted charges will be borne by:** [1]
A. The drawer of bill B. The drawee of bill C. The discounting charges will be recorded in memorandum account D. The discounting charges will be borne by bank
- Qn.45) Joint Venture account is a:** [1]

A. Personal account B. Real account C. Nominal account D. None

- Qn.46)** A and B were partners in a joint venture sharing profits and losses in the proportion of $\frac{4}{5}$ th and $\frac{1}{5}$ th respectively. A supplies goods to the value of Rs. 50,000 and incurs expenses amounting to Rs. 5400. B supplies goods to the value of Rs. 14000 and his expense amount to Rs. 800. B sells goods on behalf of the joint venture and realizes Rs. 92,000. B is entitled to a commission of 5 percent on sales. B settles his account by bank draft. What will be the profit on venture?
A. Rs. 17,200 B. Rs. 17,000 C. Rs. 18,000 D. Rs. 18,200 [1]
- Qn.47)** P and Q enter into Joint venture sharing profits and losses in the ratio 3:2. P purchased goods costing Rs. 2,00,000. Other expenses of P Rs. 10,000. Q sold the goods for 180000. Remaining goods were taken over by Q at Rs. 20000. The amount of final remittance to be paid by Q to P will be:
A. Rs.2,15,000 B. Rs.2,04,000 C. Rs.2,10,000 D. None [1]
- Qn.48)** A and B enter into a joint venture sharing profit and losses in the ratio 2:1. A purchased goods costing Rs. 200,000. B sold the goods for Rs. 2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. The profit on venture will be:
A. Rs. 35,500 B. Rs. 36,000 C. Rs. 34,000 D. Rs. 38,000 [1]
- Qn.49)** State which of the statement is true? [1]
A. Memorandum Joint Venture Account is prepared to find out profit on venture. B. Memorandum Joint Venture Account is prepared to find out amount due from co-venturer C. Memorandum Joint Venture Account is prepared when separate sets of books is maintained D. In Memorandum Joint Venture Account only one venturer's transaction is recorded
- Qn.50)** Which of the following statement is true? [1]
A. When separate set of books is maintained, expenses paid by venturer will be credited to joint bank account. B. When separate set of books is maintained, expenses paid by venturer will be credited to venturer's capital account C. When separate set of books is maintained, expenses paid by venturer will be credited to Joint Venture account D. When separate set of books is maintained, expenses paid by venturer will be credited to Outstanding Expenses Account..