

Foundation Level Account : All Topic

Test ID :058

Date : 04/09/2019 Time :00:48:00

MCQ

- Qn.1) Which of the following is/ are cause of difference of balance between cash book & the pass book?** [1]
- A. Interest and dividend received by the bank and entered in cash book
 - B. Amount directly deposited in the bank account by customer recorded in cash book.
 - C. Bank charges not entered in the cash book
 - D. All of the above

MCQ

- Qn.2) Where the life of the asset is uncertain..... method of depreciation is applied.** [1]
- A. Depletion
 - B. Machine hour rate
 - C. Inventory system of depreciation
 - D. Sum of years digit

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- Qn.3) All accounts are classified into.....** [1]
- A. Personal accounts
 - B. Real accounts
 - C. Nominal accounts
 - D. Any of the above

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- Qn.4) Which of the following is/ are features of cash book?** [1]
- A. All cash transactions are recorded chronologically in the cash book.
 - B. It records only one aspect of transaction i.e. cash.
 - C. It performs the functions of both journal and ledger at the same time.
 - D. All of the above

MCQ

- Qn.5) Goods destroyed by fire should be credited to** [1]
- A. Goods lost by fire account
 - B. Sales account
 - C. Purchase account
 - D. Cash account

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- Qn.6) Choose odd one** [1]
- A. carriage inward
 - B. carriage outward
 - C. factory rent
 - D. direct wages

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- Qn.7) Which of the following is not a foreign bill:** [1]
- A. A bill drawn in India, on a person resident outside India and made payable outside India
 - B. A bill drawn outside India, on a person resident outside India
 - C. A bill drawn outside India, made payable in India
 - D. A bill drawn on a person resident in India made payable in India

MCQ

- Qn.8) A firm is dissolved when** [1]
- A. The partners of the firm decide to dissolve it.....
 - B. All the partners or all the partners except one become insolvent
 - C. The business of the firm is declared illegal
 - D. All Of Above

Instruction for Qusetion 9 To 10 MCQ

- Qn.9) A capital reserve is built out of** [1]
 A. recurring profit
 B. non-recurring profit
 C. revenue
 D. reserve fund

- Qn.10) Rs 5,000 received from Ram on 1.1.09 for the old furniture sold to him on 1.06.08 which of the following entry should be passed for recording the transaction in the books of accounts ?** [1]
 A. Cash A/c Dr. 5,000 To Furniture A/c 5,000
 B. Cash A/c Dr. 5,000 To Suspense A/c 5,000
 C. Cash A/c Dr. 5,000 To Bad-debts recovered A/c
 D. Cash A/c Dr. 5,000 To Ram A/c

MCQ

- Qn.11) Sales = Rs 3,00,000 G.P. on sales is 20 % Purchases = Rs 2,40,000; Opening stock = Rs 20,000 Find closing stock.** [1]
 A. Rs 20,000
 B. Rs 24,000
 C. Rs 16,000
 D. Rs 12,000

MCQ

- Qn.12) Cartage Rs. 780 paid on machinery newly acquired was debited to carriage inward account. If this error located after preparation of trial then which of the following rectification entry is correct?** [1]

A.

| | |
|---------------------------|-------|
| Machinery A/c Dr. | 780 |
| Carriage Inwards Dr. | 780 |
| To Profit & Loss Adj. A/c | 1,560 |

B.

| | |
|-------------------------|-----|
| Machinery A/c Dr. | 780 |
| To Carriage Inwards A/c | 780 |

C.

| | |
|-------------------------|-------|
| Suspense A/c Dr. | 1,560 |
| To Machinery A/c | 780 |
| To Carriage Inwards A/c | 780 |

D.

| | |
|--------------------------|-----|
| Carriage Inwards A/c Dr. | 900 |
| To Machinery A/c | 900 |

MCQ

- Qn.13) Cheques of Rs. 2500 deposited on 13.4.2004, realized on 22.4.2004. in the BRS as on 30.4.2004, starting with cash book balance, this item will be :** [1]
 A. added to cash book balance
 B. deducted from cash book balance
 C. ignored
 D. deducted twice from cash book balance

MCQ

- Qn.14) According to which concept, the owner of an enterprise pays the 'interest on drawings'?** [1]
 A. Conservatism concept
 B. Dual concept
 C. Entity concept
 D. Accrual concept

Instruction for Qusetion 15 To 16 MCQ

- Qn.15)** [1]

| Particulars | Dr. Rs. | Cr. Rs. |
|--------------------------|---------|---------|
| Debtors | 81,200 | |
| Provisions for bad debts | | 5,800 |

Additional information:-Bad debt not yet provided - Rs. 1,200 -Provision for debt to be made at 5%Debtors will appear in balance sheet at Rs

- A. 80,000 (W 76,000)
 B. 76,000
 C. 74,200
 D. 75,400

- Qn.16) From the following information calculate net profit:** [1]

| | Rs. |
|---------------------------------|------------|
| Opening stock | 15,00,000 |
| Direct expenses | 3,00,000 |
| Selling & distribution expenses | 2,00,000 |
| Administrative expenses | 1,00,000 |
| Financial expenses | 50,000 |
| Sales | 24,00,0000 |
| Gross profit ratio on sales | 25% |

- A. 2,50,000
 B. 3,50,000
 C. 2,00,000
 D. 1,50,000

MCQ

- Qn.17) Balance of cash column in cash book has** [1]
 A. Dr. Balance
 B. Cr. Balance
 C. Dr. or Cr. Balance
 D. None of the above

MCQ

- Qn.18) Trading account is a.....** [1]
 A. Personal account
 B. Real account
 C. Nominal account
 D. Valuation account

MCQ

- Qn.19) The company can forfeit the shares** [1]
 A. as per provision of the company law

- B. making provision in memorandum of association of the company
- C. as per provision in the articles of association of the company
- D.

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- Qn.20) **Bill discounted with a bank is _____.** [1]
- A. Contingent liability
 - B. Current liability
 - C. Current Asset
 - D. None of these

MCQ

- Qn.21) **Rent account is.....** [1]
- A. Real Accounts
 - B. Personal Accounts
 - C. Nominal Accounts
 - D. None of above

MCQ

- Qn.22) **Bank balance as per pass book (Cr.) Rs. 76,350. A comparison of pass book and cash book revealed the following:- Bank charges Rs. 600 was not entered in cash book.- Cheques amounting to Rs. 750 has been dishonoured but not recorded in cash book. Balance as per cash book will be** [1]
- A. Rs. 75,000
 - B. Rs. 77,700
 - C. Rs. 76,500
 - D. Rs. 76,200

MCQ

- Qn.23) **Fees paid to lawyer for drawing a purchase deed of land is.....** [1]
- A. Capital expenditure
 - B. Revenue expenditure
 - C. Deferred revenue expenditure
 - D. None of the above

MCQ

- Qn.24) **Which of the following is/are cannot be treated as cause for providing depreciation?** [1]
- A. Obsolescence
 - B. Depreciation is an appropriation of profit
 - C. Physical wear and tear resulting from use
 - D. Passage of time

MCQ

- Qn.25) **When drawing up a bank reconciliation statement, if you start with a debit balance as per the pass book, the un-presented cheques should be.....** [1]
- A. Subtracted
 - B. Not required to be adjusted.
 - C. Added
 - D. None of these

MCQ

- Qn.26) **Extract of trial balance of Mr. Z is as follows:** [1]

| Particulars | Dr. Rs. | Cr. Rs. |
|------------------|----------|---------|
| Bad debts | 5,000 | - |
| Debtors | 2,50,000 | - |
| Bills receivable | 40,000 | - |

Sales 12,50,000

Additional information:- Bad debt not yet provided - Rs. 3,000- Provision for debt to be made at 5%- Provision for discount on debtors - 2%Debtors will appear in balance sheet at Rs

- A. Rs. 2,25,302
- B. Rs. 2,62,642
- C. Rs. 2,67,197
- D. Rs. 2,29,957

MCQ

- Qn.27) **Compensating error means** [1]
- A. one error compensated by another error
 - B. error in totalling
 - C. error in posting
 - D.

MCQ

- Qn.28) **Closing stock in hand valued at lower of cost or market value due to.....** [1]
- A. Convention of Conservatism
 - B. Convention of disclosure
 - C. Convention of materiality
 - D. Convention of consistency

MCQ

- Qn.29) **The debit note issued are used to prepare** [1]
- A. Sales return book
 - B. Purchase return book
 - C. Sales book
 - D. Purchases book

MCQ

- Qn.30) **..... covers procedural aspects of accounting work and includes record keeping function.** [1]
- A. Accounting
 - B. Book-keeping
 - C. Posting
 - D. Journalizing

MCQ

- Qn.31) **accounts represent assets and properties which cannot be seen, touched or felt but they can be measured in terms of money.** [1]
- A. Tangible real accounts
 - B. Intangible real accounts
 - C. Representative personal accounts
 - D. Artificial or legal persons account

MCQ

- Qn.32) **At the end of the accounting year,.....are to be passed for outstanding/prepaid expenses, accrued income/income received in advance etc.** [1]
- A. Transfer Entries
 - B. Adjustment Entries
 - C. Closing Entries
 - D. Opening Entries

MCQ

- Qn.33) **Which of the following errors will affect the trial balance?** [1]
- A. Repairs to building wrongly debited to Building A/c
 - B. Total of Purchase Journal by Rs. 1,000 short
 - C. Freight paid on new machinery debited to Freight A/c
 - D. None of the above

MCQ

- Qn.34) Which of the following is not a function of financial accounting [1]**
- A. Keeping systematic recording
 - B. Meeting legal requirements
 - C. Tax Evasion
 - D. Communicating business results

MCQ

- Qn.35) X, Y, Z are partners sharing profits in the ratio 3 : 4 : 3 Y retires, and X and Z share his profits in equal ratio. Find the new ratio of X and Z [1]**
- A. 1:02
 - B. 2:01
 - C. 3:01
 - D. 1:01

MCQ

- Qn.36) Which of the following is/are the limitations of accounting? [1]**
- A. Accounting information is expressed in terms of money
 - B. Accounting information is based on estimates.
 - C. Accounting information may be biased
 - D. All of the above

MCQ

- Qn.37) When required amount for premium for goodwill is not brought in by new partner, goodwill account is raised in the books of the firm by debiting goodwill account and crediting partners capital account in old profit sharing ratio and written off in.....if it is agreed not show goodwill in the books of the firm OR ALTERNATIVELY premium for goodwill should be adjusted through partners' capital accounts partner's capital by debiting new partners share of goodwill to his account and crediting old partners' capital accounts in [1]**
- A. New profit sharing ratio, Scarifying ratio
 - B. Old profit sharing ratio, Scarifying ratio
 - C. Scarifying ratio, New profit sharing ratio
 - D. Capital ratio, New profit sharing ratio

MCQ

- Qn.38) In the case of continuing business we are required to pass an entry in the journal to brought forward all assets and liabilities as appearing in the books on the last day of the previous year. This entry is known as..... [1]**
- A. Opening entries
 - B. Adjustment entries
 - C. Closing entries
 - D. None of the above

MCQ

- Qn.39) If the trial balance do not agree after transferring the balance of all ledger accounts including cash and bank balance and also errors are not located timely, then the trial balance is tallied by transferring the difference of debit and credit side to an account known as..... [1]**
- A. Memorandum Account
 - B. Capital Account
 - C. Suspense Account
 - D. Drawing Account

MCQ

- Qn.40) Goods brought in by the proprietor as his capital contribution are recorded- [1]**
- A. Purchases Book
 - B. Cash Book
 - C. Journal Proper
 - D. None of the above