

CA CPT Joint Venture

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Instruction for Qusetion 1 To 50 MCQ

- Qn.1) 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.2) 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.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? [1]
A. Rs. 8,400 B. Rs. 7,900 C. Rs. 8,900 D. None of these
- Qn.4) Shri Kedar of Nagpur and Shri Deshmukh of Katol undertook in April 94 the construction of Poonam Market Hall for Rs. 600000 to be completed within a year. On the same date Kedar brought in Rs. 100000 and Deshmukh brought in Rs. 50000, to be deposited in a Joint Bank A/c. They agreed to share the profit or loss in the ration of 2:1 respectively. The following expenses were paid from the Joint Bank A/c – Materials – Rs. 225000, Wages – Rs. 195000 and plant Rs. 40000. The construction was completed in time, but there was some defect in construction work so the contract price was received after deducting Rs. 15000. At the end of the work, plant was considered as having depreciated by 60%. Half of the plant was taken over by Kedar and remaining half was sold for Rs. 15000. [1]
A. Profit Rs. 156000 B. Loss Rs. 156000 C. Profit Rs. 52000 D. Profit Rs. 104000
- Qn.5) A purchased 1000 kg of rice costing Rs. 200 each. Carriage 2000, insurance 3000. $\frac{4}{5}$ th 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.6) 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 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 : [1]
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.7) If unsold goods costing Rs. 20000 is taken over by Venturer at Rs. 15000, the joint venture A/c will be credited by [1]
A. Rs. 20,000 B. Rs. 15,000 C. Rs. 50,001 D. Nil
- Qn.8) 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? [1]
A. Rs. 3,000 B. Rs. 5,000 C. Rs. 6,000 D. Rs. 3,500
- Qn.9) 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: [1]

A. Rs. 35,500 B. Rs. 36,000 C. Rs. 34,000 D. Rs. 38,000

- Qn.10) 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.11) 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.12) 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. A's share of profit on venture will be:** [1]
A. Rs. 15,300 B. Rs. 21,300 C. Rs. 18,900 D. None
- Qn.13) 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.14) The parties to joint venture are called** [1]
A. Co-venturers B. Partners C. Principal and agent D. Friends
- Qn.15) A and B entered into a joint venture. They agreed to share profits and losses equally. A purchased goods worth Rs. 16,000. Goods of Rs. 4,000 were destroyed by fire. Insurance claim of Rs. 3,000 is received. B sold the rest of the goods for Rs. 20,000. A and B share profits equally A's share of profits is:** [1]
A. Rs. 4,000 B. Rs. 3,000 C. Rs. 1,500 D. None
- Qn.16) In a Joint venture A contributes Rs. 5000 and B contributes Rs. 10,000. Goods are purchased for Rs. 11200. Expenses amount to Rs. 800. Sales amount to Rs. 14000. The remaining goods were taken by B at an agree price of Rs. 400. A and B share profit and losses in the ratio of 1:2 respectively. As a final settlement, how much A will receive?** [1]
A. Rs.5800 B. Rs.6000 C. Rs.5000 D. Rs.10,800
- Qn.17) 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.18) 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.19) 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.20) 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.21) 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 draws a bill on B for an amount equivalent to 80% of cost on consignment. The amount of bill will be** [1]
A. Rs. 10,000 B. Rs. 8,000 C. Rs. 6,000 D. Rs. 9,000
- Qn.22) 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.23) For purchase of plant from Joint Bank Account, in case separate sets of books are maintained, the correct journal entry will be** [1]

A. Plant A/c will be debited and Joint Bank A/c will be credited B. Joint Venture A/c will be debited and Joint Bank A/c will be credited C. Plant A/c will be debited and Venturers Capital A/c will be credited D. Joint Venture A/c will be debited and Plant A/c will be credited

- Qn.24)** 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
A. Profit Rs. 5000 B. Loss Rs. 5000 C. Loss Rs. 2500 D. Profit Rs. 17000 [1]
- Qn.25)** 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.
A. Rs. 151000 B. Rs. 302000 C. Rs. 312000 D. Rs. 320000 [1]
- Qn.26)** Memorandum joint venture account is prepared:
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 [1]
- Qn.27)** Joint venture account is a
A. Nominal Account B. Real Account C. Artificial Personal Account D. Representative Personal Account [1]
- Qn.28)** A and B were partners in a joint venture sharing profit and losses in the proportion of 3/5th and 2/5th respectively. A supplies goods to the value of Rs. 60000 and incurs expenses amounting Rs. 6000. B supplies goods to the value of Rs. 16,000 and his expenses amount to Rs. 3000. B sells goods on behalf of the joint venture and realizes Rs. 120000. B entitled to a commission of 5% on sales. B settles his account by bank draft. How much amount, B will pay to A as final settlement?
A. Rs. 83,400 B. Rs. 93,200 C. Rs. 80,000 D. Rs. 66,000 [1]
- Qn.29)** 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?
A. Nil B. Rs.32,000 C. Rs.36,000 D. None [1]
- Qn.30)** 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:
A. Rs. 6,700 B. Rs. 7,300 C. Rs. 6,400 D. Rs. 6,100 [1]
- Qn.31)**is limited to a specific venture.
A. Express partnership B. Partnership at will C. Implied partnership D. Joint venture [1]
- Qn.32)** Mr. X and Mr. Y carrying on a business separately, jointly taken up the work of constructing a building at an agreed price of Rs. 350000 payable in cash Rs. 240000 and in fully paid shares of a company for the balance of Rs. 110000. A bank account is opened in which Mr. X and Mr. Y paid Rs. 75000 and Rs. 50000 respectively. The following costs were incurred in completing the construction and the contract price was duly realized : (1) wages paid Rs. 90000 (2) Materials purchased for cash Rs. 210000 (3) Materials supplied by Y from his stock Rs. 27000 (4) consulting engineer's fees paid by Mr. X Rs. 6000. The accounts were closed; Mr. X taking up all the shares of the company at an agreed valuation of Rs. 48000 treating loss on shares as joint venture loss and Mr. Y taking the remaining stock of materials at Rs. 9000.
A. Profit Rs. 26000 B. Profit Rs. 84000 C. Loss Rs. 30000 D. Loss Rs. 36000 [1]
- Qn.33)** A and B were partners in a joint venture sharing profit and losses in the proportion of 3/5th and 2/5th respectively. A supplies goods to the value of Rs. 60000 and incurs expenses amounting Rs. 6000. B supplies goods to the value of Rs. 14,000 and his expenses amount to Rs. 1000. B sells goods on behalf of the joint venture and realizes Rs. 100000. B entitled to a commission of 5% on sales. B settles his account by bank draft. Find out the profit on venture.
A. Rs. 14,400 B. Rs. 14,000 C. Rs. 13,000 D. Rs. 13,200 [1]

- Qn.34) Advise which of the statement is true:** [1]
 A. The Joint Venture can be formed by a single person only B. A legal deed should be drafted before forming Joint Venture. C. The profit to be shared between the venturer in agreed ratio D. Joint Venture follows going concern concept.
- Qn.35) 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.36) M and N enter into a joint venture where M supplies goods worth Rs. 6,000 and spends Rs. 300 on expenses. N sells the entire lot for Rs. 7,800 meeting selling expenses amounting to Rs. 300. Profit sharing ratio equal. N remits to M the amount due. The amount of remittance will be:** [1]
 A. Rs. 6,900 B. Rs. 7,500 C. Rs. 6,300 D. Rs. 6,600
- Qn.37) 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:** [1]
 A. Rs. 125,000 B. Rs. 150,000 C. Rs. 100,000 D. Rs. 140,000
- Qn.38) For material supplied from own stock by any of the venturer, the correct journal entry will be (In case of separate sets of books)** [1]
 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
- Qn.39) A and B were partners in a joint venture sharing profits and losses in the proportion of 4/5th and 1/5th 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?** [1]
 A. Rs. 17,200 B. Rs. 17,000 C. Rs. 18,000 D. Rs. 18,200
- Qn.40) 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.41) A purchased goods costing 42500. B sold goods costing Rs.40000 at Rs.50000. 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:a.** [1]
 A. Rs. 3,125 B. Rs. 2,500 C. Rs. 3,000 D. None of three
- Qn.42) When co-ventures initially contribute for a joint venture which account should be debited in case when separate set of books are maintained:** [1]
 A. Purchases A/c B. Joint ventures A/c C. Venture's Capital A/c D. Joint bank A/c
- Qn.43) X and Y enter into a joint venture. X supplied goods to Y worth Rs. 70,000. X incurred expenses amounting to Rs. 6,000 on joint venture. The venture resulted in a total profit of Rs. 15,000 of which their ratio of distribution is 2 : 1. The entire sale proceeds were received by Y. Amount received by X from Y in final settlement will be:** [1]
 A. Rs. 85,000 B. Rs. 86,000 C. Rs. 80,000 D. Rs. 75,000
- Qn.44) A and B entered into a joint venture. They opened a joint bank account by contributing Rs. 200000 each. The expenses incurred on venture are exactly equal to Rs. 2,00,000. Once the work is completed, contract money received by cheque Rs. 4,00,000 and in shares Rs. 50,000. The shares are sold for Rs. 40,000. What will be the profit on venture?** [1]
 A. Rs. 250,000 B. Rs. 240,000 C. Rs. 440,000 D. Rs. 450,000
- Qn.45) For material supplied from own stock of any of the Co-venture, the correct journal entry will be:** [1]
 A. Joint Venture A/c Dr.
 To Venturer's Capital A/c B. Joint Venture A/c Dr.
 To Joint Bank A/c C. Joint Venture A/c Dr.
 To Materials A/c D. Joint Bank A/c Dr.
 To Joint Venture A/c

- Qn.46)** 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.47)** X & Y entered a Joint venture for export of Indian Handicraft items to overseas customers. X sends goods worth Rs. 200,000 to Y for export to USA. Y exported goods worth Rs. 175,000 to USA for Rs. 210,000 and agreed to take away the remaining goods at cost less 10% Y's Account will be for goods taken away [1]
 A. Debited by Rs. 22500 B. Credited by Rs. 22500 C. Credited by Rs. 25000 D. Debited by Rs. 25000
- Qn.48)** 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 asC – 5000 D- 15000C 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? [1]
 A. Rs.30,000 B. Rs.40,000 C. Rs.20,000 D. Rs.15,000
- Qn.49)** 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 taken over by B at 95% of cost. What will be the final remittance? [1]
 A. B will remit Rs. 2,28,800 to A B. B will remit Rs. 2,29,000 to A C. B will remit Rs. 2,19,700 to A D. B will remit Rs. 2,32,200 to A
- Qn.50)** 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