FIN611- Quiz # 4 *SOLVED* - (Lecture # 1-37)

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Question: If the owners' equity and liabilities of the business ABC are worth Rs. 70,000 and Rs.19,000 respectively then the Total Assets consist of:

Rs.60,000

Rs.89,000

Rs.41,000

Rs.19,000

Question: Which of the following is NOT related to the qualitative characteristics that make financial information useful?

Reliability only

Relevancy only

Both Reliability and Relevancy

Understandability

Question: Which of the following is/are NOT allocated and apportioned on the basis of purchase of raw material by each department?

Repair and Renewals

Works manager's salary

Selling expense

All of the given options

Question: Rent and rates are allocated and apportioned to the different departments on the basis of:

Sale of each department

Number of employees

Purchase of each department

Area / Floor space occupied

Question: Which of the following statement shows the financial position of the business?

Cash Flows Statement

Income Statement

Balance Sheet

Statement of Owner's equity

Question: According to IAS 32 preference share is an(a):

Equity instrument

Financial liability

Potential equity instrument

None of the given option

Question: Subscription received in advance by the Non-profit organization is treated as:

An Income

An Asset

A Liability

An Expense

Question # 8 of 20 (Start time: 03:53:11 PM) Total Marks: 1

A subsidiary is a company that is controlled by a parent company through majority ownership of its:

Debtors

Debentures

Common Stock

Both preferred and Common Stock

Question # 9 of 20 (Start time: 03:53:57 PM) Total Marks: 1

The difference of two sides of "Receipts & Payments Account" represents:

Opening cash balance

Closing creditors

Closing cash or bank balance

Closing debtors

Question # 10 of 20 (Start time: 03:54:23 PM) Total Marks: 1

The difference between the cost price and the invoice price is known as:

Gross Profit

Net Profit

Loading

Sale price

[3:54:50 PM] usman: 3

[3:54:50 PM] MSBA_124: loading

[3:54:51 PM] 3

[3:55:12 PM] **Question** # 11 of 20 (Start time: 03:54:50 PM) Total Marks: 1

Which one of the following attribute may raise Goodwill in a business?

Good reputation

Good customer relationship

Outstanding credit rating

All of the given options

Question # 12 of 20 (Start time: 03:55:18 PM) Total Marks: 1

Which of the following represents the relationship between persons who have agreed to share the profit of business carried on by all or any of them acting for all?

Sole-ownership

Partnership

Private limited company

Public limited company

Question # 13 of 20 (Start time: 03:55:51 PM) Total Marks: 1

"Income and Expenditure Account" is debited with all:

Expenses

Earnings

Liabilities

Assets

Question # 14 of 20 (Start time: 03:56:27 PM) Total Marks: 1

Which of the following is another name of Final dividend?

Interim dividend

Declared dividend

Stock dividend

Cash dividend

[3:56:54 PM] usman: 2

[3:56:56 PM] usman: SURE

[3:56:58 PM] ok

Question # 15 of 20 (Start time: 03:56:54 PM) Total Marks: 1

OWNERS EQUITY = ASSETS - LIABILITIES This version of the equation shows that at a given point in time, if assets exceed liabilities, the excess (residual) amount is attributed to the owners. Other term used to refer to assets minus liabilities is;

Net profit

Total Assets

Net worth

Gross profit

[3:58:00 PM] **Question** # 16 of 20 (Start time: 03:57:39 PM) Total Marks: 1

Under Single-entry system, if the capital at the end of the year is less than the capital at the beginning of the year, the difference will represent:

Net Profit

Net loss

Gross loss

Gross profit

[3:58:34 PM] **Question** # 17 of 20 (Start time: 03:58:10 PM) Total Marks: 1

Which of the following type of business has a separate legal entity?

Sole-Proprietorship

Partnership

Company

Trust

[3:59:11 PM] **Question** # 18 of 20 (Start time: 03:58:39 PM) Total Marks: 1

Which of the following represents the objective of the financial statements?

To provide the information about the business objectives

To provide the information about the business liabilities

To provide the information about the financial position, financial performance and changes in financial position

To provide the information about the business assets

[3:59:51 PM] **Question** # 19 of 20 (Start time: 03:59:27 PM) Total Marks: 1

Which of the following IAS covers the treatment and recognition of Provisions?

IAS 33

IAS 37

IAS 38

IAS 39

[4:00:28 PM] **Question** # 20 of 20 (Start time: 03:59:55 PM) Total Marks: 1

With respect to IAS 10, a major business takeover after the balance sheet date or disposing of a major subsidiary is considered as which of the following Adjusting Event?

Non-Adjusting Event

Bogus Event

Contingent Event

Adjusting Event

Question # 1 of 20 (Start time: 04:03:59 PM) Total Marks: 1

Mr. Asghar introduces the opening capital of Rs. 6,500 in the business and further capital of Rs. 3,000 during the year. His capital at the end of the year is Rs.11,000. What will be the profit for Mr. Asghar?

Rs.1,500

Rs.4,500

Rs.7,000

Rs.20,500

Question # 2 of 20 (Start time: 04:04:46 PM) Total Marks: 1

Common share outstanding on January 01, 2005 =100,000 shares Share issued on July 01, 2005= 50,000 shares Weighted average number of share outstanding during the year?

100,000 shares

150,000 shares

50,000 shares

125,000 shares

[4:06:20 PM] **Question** # 3 of 20 (Start time: 04:05:57 PM) Total Marks: 1

While preparing the profit and loss account, "Carriage Inwards" is allocated and apportioned to the different departments on the basis of:

Sales by each department

Number of employees

Area occupied by each department

Purchases by each department

Question # 4 of 20 (Start time: 04:06:38 PM) Total Marks: 1

Which of the following is/are related to the IAS-37?

Contingent Liabilities

Contingent Assets

Provisions

All of the given options

[4:07:37 PM] **Question** # 5 of 20 (Start time: 04:07:04 PM) Total Marks: 1

Which of the following is TRUE about the changes due to issuance of bonus shares?

Decrease in reserves and surpluses

Increase in reserves and surpluses

Increase in working capital

Decrease in working capital

[4:08:24 PM] **Question** # 6 of 20 (Start time: 04:08:04 PM) Total Marks: 1

Which of the following would be credited for increasing the provision for deferred tax?

Income tax expenses a/c

Deferred tax liabilities a/c

Provision for liabilities a/c

Provision for income tax a/c

[4:08:53 PM] **Question** # 7 of 20 (Start time: 04:08:30 PM) Total Marks: 1

Which of the following is concerned with the maximization of the firm's earning after tax?

Profit maximization

Earning per share maximization

Shareholder maximization

Shareholder's equity maximization

[4:09:41 PM] **Question** # 8 of 20 (Start time: 04:09:19 PM) Total Marks: 1

If the profit is 1/4 of the sales then it is:

1/4 of the cost price

1/5 of the cost price

1/2 of the cost price

1/3 of the cost price

[4:10:38 PM] **Question** # 9 of 20 (Start time: 04:10:16 PM) Total Marks: 1

Under the net wroth method of single entry the Net profit is equal to:

Closing capital -Opening Capital

Opening Capital - Closing capital

Opening Capital + Closing capital

Total Assets + Total Liabilities

Question # 10 of 20 (Start time: 04:10:57 PM) Total Marks: 1

Profit of the business can be measured as an increase in:

The net liabilities of the business

The net worth of the business

The net working capital of the business

The net drawings of the business

Question # 11 of 20 (Start time: 04:11:34 PM) Total Marks: 1

Which of the following statement is NOT TRUE about the branch Trial Balance?

It is only prepared by the independent branch

It is prepared by the head office

It shows the accuracy of debits and credits

All the closing balances of ledger accounts appear in Trial Balance

Question # 12 of 20 (Start time: 04:12:49 PM) Total Marks: 1

Which of the following is NOT an accounting concept?

Prudence

Going concern

Depreciation

Matching

[4:14:01 PM] **Question** # 13 of 20 (Start time: 04:13:39 PM) Total Marks: 1

Which of the following is another name of Final dividend?

Interim dividend

Declared dividend

Stock dividend

Cash dividend

Question # 14 of 20 (Start time: 04:14:02 PM) Total Marks: 1

With respect to IAS 10, business announcing a plan to discontinue an operation after the balance sheet dates is considered as which of the following?

Adjusting Event

Non-Adjusting Event

Bogus Event

Contingent Event

Question # 15 of 20 (Start time: 04:14:45 PM) Total Marks: 1

While preparing the profit and loss account, depreciation of building is allocated and apportioned to the different departments on the basis of:

Number of employees by each department

Area occupied by department

Number of departments

Sales by each department

Question # 16 of 20 (Start time: 04:15:29 PM) Total Marks: 1

What would be the value of total sales by head office if the goods sent to independent branch are Rs. 50,000 and sales by Head office is Rs. 40,000?

Rs. 10,000

Rs. 40,000

Rs. 50,000

Rs. 90,000

[4:16:44 PM] **Question** # 17 of 20 (Start time: 04:16:22 PM) Total Marks: 1

Which of the following is used to extract the opening balance of fixed assets in single entry system?

Debtors account

Cash account

Statement of affairs

Assets account

[4:17:10 PM] **Question** # 18 of 20 (Start time: 04:16:47 PM) Total Marks: 1

Which of the following account will be credited in case of decrease in the value of Machinery to make a revaluation of all assets and liabilities?

Machinery Account

Salaries Account

Sales Account

Current Assets Account

Question # 19 of 20 (Start time: 04:17:16 PM) Total Marks: 1

Which of the following is/are NOT allocated and apportioned on the basis of "Number of employees" by each department?

Rent expense

Bad debts provision

Depreciation expense

All of the given options

Question # 20 of 20 (Start time: 04:17:43 PM) Total Marks: 1

Which of the following account will be debited for distribution of profit to partners?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 1 of 20 (Start time: 04:21:01 PM)

Total Marks: 1

Which of the following represents the Qualifying Asset?

Inventory routinely manufactured

Asset ready for use

Manufacturing plants

None of the given options

Which one of the following is "False" about the rights issue?

A company can opt for a rights issue to raise capital.

The rights issue is a special form of shelf offering

Existing shareholders have the privilege to buy a specified number of new shares from the firm at a specified price within a specified time.

Shares are issued to the general public through market

Which of the following is/are related with the IAS-8?

Accounting policies

Changes in accounting estimates

Prior period errors

All of the given options

Question # 4 of 20 (Start time: 04:22:47 PM)

Which of the following account is credited with respect to the amount of goodwill brought by the incoming partner in the business?

Bank a/c

Goodwill a/c

New partner's a/c

Old partner's a/c

Question # 5 of 20 (Start time: 04:23:17 PM)

While preparing the profit and loss account, depreciation of building is allocated and apportioned to the different departments on the basis of:

Number of employees by each department

Area occupied by department

Number of departments

Sales by each department

What will be the expense if the gross profit is Rs. 5,000 and net profit is 25% of the gross profit?

Rs. 1,250

Rs. 3,750

Rs. 4,150

Rs. 6,250

Question # 7 of 20 (Start time: 04:24:09 PM)

If: Net profit of the year =Rs. 180,000 Total number of share outstanding during the year= 240,000 shares Weighted average number of share outstanding during the year=200,000 shares Basic Earning per Share =?

Rs. 0.75 Per share

Rs. 0.90 Per share

Rs. 0.41 Per share

Rs. 4.5 Per share

Question # 8 of 20 (Start time: 04:25:27 PM)

Which of the following account will be credited for distribution of profit to partners?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

» **Distribution of Profits among Partners**

Partners profit sharing ratio = A : B : C = 1 : 1 : 1

$$= \frac{1}{3} : \frac{1}{3} : \frac{1}{3}$$

Partners Share of Profits = Distributable Profit × Profit Sharing Proportion Therefore,

A's Share = Rs. 2,81,100 × $\frac{1}{3}$ = $\boxed{\text{Rs. 93,700}}$

B's Share = Rs. 1,08,000 × $\frac{1}{3}$ = $\boxed{\text{Rs. 93,700}}$

C's Share = Rs. 2,81,100 × $\frac{1}{3}$ = $\boxed{\text{Rs. 93,700}}$

Rs. 2,81,100

Dr **Partners Capital a/c's** Cr

Particulars	A (in Rs)	B (in Rs)	C (in Rs)	Particulars	A (in Rs)	B (in Rs)	C (in Rs)
To P&L (Int)	1,000	100	750	By Bal b/d	2,00,000	75,000	1,00,000
To Drawings	20,000	2,000	15,000	By P&L (int)	10,000	3,750	5,0[illegible]
				By P&L (sal)		24,000	
to Bal c/d	2,82,700	1,94,350	2,34,950	By P&L (com)			52,000
				By P&L (pr)	93,700	93,700	93,700
	3,03,700	1,96,450	2,50,700		3,03,700	1,96,450	2,50,700
				By Bal b/d	2,82,700	1,94,3500	2,34,950

Question # 9 of 20 (Start time: 04:26:05 PM)

Which of the following consist of money owing for goods supplied to the firm and for expenses & loans?

Asset

Capital

Liability

Income

Question # 10 of 20 (Start time: 04:26:49 PM)

Mr. Asghar introduces the opening capital of Rs. 6,500 in the business and further capital of Rs. 3,000 during the year. His capital at the end of the year is Rs.11,000. What will be the profit for Mr. Asghar?

Rs.1,500

Rs.4,500

Rs.7,000

Rs.20,500

Question # 11 of 20 (Start time: 04:27:32 PM)

The branch which maintains its own books of accounts is called:

Retail branch

Wholesale branch

Independent branch

Dependent branch

Question # 12 of 20 (Start time: 04:27:49 PM)

Which of the following is concerned with the maximization of the firm's earning after tax?

Profit maximization

Earning per share maximization

Shareholder maximization

Shareholder's equity maximization

Question # 13 of 20 (Start time: 04:28:02 PM)

Which of the following is similar to the statement of affairs?

Income statement

Statement of changes in equity

Balance sheet

Bank reconciliation statement

Question # 14 of 20 (Start time: 04:28:17 PM)

"Receipts and Payments Account" is prepared at the:

End of the year

Start of the year

Mid of the financial year

None of the given options

Question # 15 of 20 (Start time: 04:28:31 PM)

Which of the following appears in the credit side of Trial Balance of company account?

Expenses

Assets

Liabilities

None of the given options

Question # 16 of 20 (Start time: 04:28:54 PM)

Which of the following is NOT a Qualifying Asset?

Power plan being in the process of manufacture

Inventories requiring a substantial period for manufacturing

Special order for a special inventory that will be manufactured in 5 months

Asset ready for use

Examples of Qualifying Assets:

a) Manufacturing plants

b) Power generation facilities

c) Investment properties

d) Those inventories which are routinely manufactured or produced in large quantities on a repetitive basis and assets ready for their intended use or sale when acquired are not qualifying assets

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Question # 17 of 20 (Start time: 04:29:16 PM)

Which of the following is related with the IAS 10?

Events after the Balance sheet date

Property, Plant and Equipment

Intangible Assets

Borrowing costs

Question # 18 of 20 (Start time: 04:29:43 PM)

Which of the following represents that the shares are issued at a price below the face value?

Share issued at premium

Share issued at discount

Share issued at par value

Share issued at nominal value

Question # 19 of 20 (Start time: 04:30:00 PM)

Which of the following is a type of business formed under the Companies Ordinance 1984?

Sole-Proprietorship

Partnership

Joint Stock Company

All of the given options

Question # 20 of 20 (Start time: 04:30:14 PM)

Which of the following option is TRUE about the Draft Financial Statements?

Draft statements are prepared by the accounts department

Draft statements are audited by the external auditors

Draft statements are put in front of the Board of Directors for approval

All of the given options

Draft financial statements are one that are prepared by the accounts department, audited by the external auditors and put in front of the board of directors for approval.

Question # 1 of 20 (Start time: 04:36:09 PM) Total Marks: 1

Which of the following is the contra item for Sales?

Provision for depreciation

Debtors

Sales return

Provision for doubtful debts

Question # 2 of 20 (Start time: 04:36:26 PM) Total Marks: 1

Which of the following is used to extract the opening balance of fixed assets in single entry system?

Debtors account

Cash account

Statement of affairs

Assets account

Question # 3 of 20 (Start time: 04:36:48 PM) Total Marks: 1

A branch that works independent to the head office is also known as:

Profit centre

Investment centre

Retail centre

Whole sale branch

Question # 4 of 20 (Start time: 04:37:23 PM) Total Marks: 1

Which of the following represents the interest and other costs incurred by an entity in connection with the borrowing of funds?

Outstanding interest on borrowed money

Interest on borrowed money paid during the period

Loan

Borrowing Costs

Question # 5 of 20 (Start time: 04:38:14 PM) Total Marks: 1

Which of the following is NOT a feature of branch expense account, under the stock and debtor system?

It is debited with the cash sent to branch

It is debited with the discount allowed to branch debtors

It is debited with the depriciation of branch fixed assets

It is debited with the branch bad debts during the year

Question # 6 of 20 (Start time: 04:39:02 PM) Total Marks: 1

Which of the following is another name of Final dividend?

Interim dividend

Declared dividend

Stock dividend

Cash dividend

Question # 7 of 20 (Start time: 04:39:11 PM) Total Marks: 1

Which of the following account will be debited in case of increase in the value of furniture to make a revaluation of all assets and liabilities?

Accounts payable

Preliminary expenses

Furniture Account

Inventory Account

Question # 8 of 20 (Start time: 04:39:52 PM) Total Marks: 1

If the owners' equity and liabilities of the business ABC are worth Rs. 70,000 and Rs.19,000 respectively then the Total Assets consist of:

Rs.60,000

Rs.89,000

Rs.41,000

Rs.19,000

Question # 9 of 20 (Start time: 04:40:10 PM) Total Marks: 1

Which of the following is NOT a kind of Domestic branch?

Dependent branch

Retail branch

Whole sale branch

None of the given option

Question # 10 of 20 (Start time: 04:40:45 PM) Total Marks: 1

Borrowing cost is shown under benchmark treatment in:

Profit and Loss Account as expense

Profit and Loss Account as income

Balance sheet as a liability

Balance sheet as an asset

Question # 11 of 20 (Start time: 04:41:54 PM) Total Marks: 1

Which of the following is NOT included in the debit side of the cash book?

Capital receipts

Revenue receipts

Discount allowed

Opening balance of cash

Question # 12 of 20 (Start time: 04:42:22 PM) Total Marks: 1

Which of the following business publishes the Financial Statements?

Sole-Proprietorship

Partnership

Trust

Public Limited Company

Question # 13 of 20 (Start time: 04:42:38 PM) Total Marks: 1

Which of the following represents the Qualifying Asset?

Inventory routinely manufactured

Asset ready for use

Manufacturing plants

None of the given options

Question # 14 of 20 (Start time: 04:43:45 PM) Total Marks: 1

Mr. Asghar introduces the opening capital of Rs. 6,500 in the business and further capital of Rs. 3,000 during the year. His capital at the end of the year is Rs.11,000. What will be the profit for Mr. Asghar?

Rs.1,500

Rs.4,500

Rs.7,000

Rs.20,500

Question # 15 of 20 (Start time: 04:44:12 PM) Total Marks: 1

If the Sales of Department 'A' & Department 'B' are Rs. 1,200 and Rs. 300 respectively, total selling expenses are Rs. 150, then the selling expense allocated to the Department 'B' is:

Rs. 150

Rs. 120

Rs. 300

Rs. 30

Question # 16 of 20 (Start time: 04:45:11 PM) Total Marks: 1

Which of the following is TRUE with respect to the sacrifice ratio?

Old profit ratio – New profit ratio

Old profit ratio – Gross profit ratio

Old profit ratio – Net profit ratio

Old profit ratio – Operating profit ratio

Question # 17 of 20 (Start time: 04:45:23 PM) Total Marks: 1

In the books of head office, the cash sales are recorded in the credit side of:

Branch sales account

Branch stock account

Head office sales account

Head office stock account

Question # 18 of 20 (Start time: 04:46:07 PM) Total Marks: 1

Which of the following statement is TRUE about the issuance of bonus shares?

These are issued to the existing share holders

These are issued against capitalization of the reserves

It causes a decrease in the EPS comparing with the previous year's EPS

All of the given options

Question # 19 of 20 (Start time: 04:46:30 PM) Total Marks: 1

An equity instrument of another entity, hold by a company will be known as:

Financial asset

Financial liability

Treasury stock

Preference stock

Question # 20 of 20 (Start time: 04:47:34 PM) Total Marks: 1

Which of the following is similar to the statement of affairs?

Income statement

Statement of changes in equity

Balance sheet

Bank reconciliation statement

Question # 1 of 20 (Start time: 04:50:09 PM) Total Marks: 1

In the books of head office, the cash sales are recorded in the credit side of:

Branch sales account

Branch stock account

Head office sales account

Head office stock account

Question # 2 of 20 (Start time: 04:50:45 PM) Total Marks: 1

Which of the following represents the partnership agreement in writing?

Partnership registration

Partnership deed

Partnership-at-will

Partnership certification

Question # 3 of 20 (Start time: 04:51:43 PM) Total Marks: 1

In branch accounting, **under the debtors system** of profit calculation, which of the following is not accounted for in the books of head office?

Cash sales of Branch

Credit sales of Branch

Branch opening balance of assets

Branch closing liabilities

Question # 4 of 20 (Start time: 04:52:29 PM) Total Marks: 1

Which of the following is the contra item for Sales?

Provision for depreciation

Debtors

Sales return

Provision for doubtful debts

Question # 5 of 20 (Start time: 04:52:53 PM) Total Marks: 1

Which of the following expense can NOT be allocated and apportioned by each department separately?

Discount allowed

Group insurance

General expenses

Wages and salaries

Question # 6 of 20 (Start time: 04:53:13 PM) Total Marks: 1

Which of the following IAS deals with the Borrowing Costs?

IAS 01

IAS 07

IAS 23 *Page 170*

IAS 16

Question # 7 of 20 (Start time: 04:53:45 PM) Total Marks: 1

Which one of the following is "False" about the rights issue?

A company can opt for a rights issue to raise capital.

The rights issue is a special form of shelf offering

Existing shareholders have the privilege to buy a specified number of new shares from the firm at a specified price within a specified time.

Shares are issued to the general public through market

Question # 8 of 20 (Start time: 04:54:28 PM) Total Marks: 1

Which of the following is NOT related to the qualitative characteristics that make financial information useful?

Reliability only

Relevancy only

Both Reliability and Relevancy

Understandability

Question # 9 of 20 (Start time: 04:55:16 PM) Total Marks: 1

Which of the following is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity?

Contingent asset

Fixed asset

Current asset

Floating asset

Question # 10 of 20 (Start time: 04:56:03 PM) Total Marks: 1

Which of the following is NOT a Qualifying Asset?

Power plan being in the process of manufacture

Inventories requiring a substantial period for manufacturing

Special order for a special inventory that will be manufactured in 5 months

Asset ready for use

Question # 11 of 20 (Start time: 04:56:22 PM) Total Marks: 1

Which of the following account is credited with respect to the amount of goodwill brought by the incoming partner in the business?

Bank a/c

Goodwill a/c

New partner’s a/c

Old partner’s a/c

Question # 12 of 20 (Start time: 04:56:53 PM) Total Marks: 1

Which of the following is NOT a feature of goods sent to branch account, under the stock and debtor system?

It is debited with the goods return to the head office

It is debited with the loading (net) on goods sent to branch

It is debited with the goods return by the debtors

None of the given options

Question # 13 of 20 (Start time: 04:58:17 PM) Total Marks: 1

Deferred tax liability would be treated in balance sheet as:

Non-Current Liabilities

Current Liabilities

Contingent Liabilities

Medium Term Liabilities

Question # 14 of 20 (Start time: 04:58:44 PM) Total Marks: 1

Which of the following account will be debited for interest on drawings in case of distribution of profit?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 15 of 20 (Start time: 04:59:33 PM) Total Marks: 1

If: Basic earning per share = Rs. 0.70 per share Net profit of the year= Rs. 140,000 Total number of share outstanding during the year= 240,000 shares Weighted average number of share outstanding during the year=?

240,000 shares

200,000 shares

168,000 shares

98,000 shares

Question # 16 of 20 (Start time: 05:00:44 PM) Total Marks: 1

Which of the following is TRUE about the changes due to issuance of bonus shares?

Decrease in reserves and surpluses

Increase in reserves and surpluses

Increase in working capital

Decrease in working capital

Question # 17 of 20 (Start time: 05:01:02 PM) Total Marks: 1

Ordinary share also called:

Common share

Common stock

Equity share

All of the given options

Question # 18 of 20 (Start time: 05:01:16 PM) Total Marks: 1

Which of the following is NOT TRUE about the preference share?

Dividend on such share is a part of financial charges

It is also known as financial liability

It also is an equity instrument

Fixed rate of dividend is paid each year

Question # 19 of 20 (Start time: 05:02:05 PM) Total Marks: 1

A subsidiary is a company that is controlled by a parent company through majority ownership of its:

Debtors

Debentures

Common Stock

Both preferred and Common Stock

Question # 20 of 20 (Start time: 05:03:04 PM) Total Marks: 1

What is the value of sales, if the cost of goods sold is Rs. 3,000 and the gross profit is 20 % of sales?

Rs. 3,600

Rs. 3,750

Rs. 6,000

Rs.15,000

Question # 1 Which of the following statement shows the financial position of a business at a certain point of time?

Income statement

Balance sheet

Statement of changes in equity

Statement of cash flows

Question # 2 Under which of the following assumptions, the Financial Statements are to be prepared?

Future assumption

Past assumption

Accrual basis and Going concern assumptions

Accrual basis assumption only

Question # 3 Which of the following is/are represent the "Gains" with respect to the IASB's Framework?

Disposal of assets at a value higher than its carrying amount

Discharge of liabilities at a value lessor than its carrying amount

Disposal of assets at a value higher than its book value

All of the given options

Question # 4 Which of the following account is not attributed to the books of an independent branch?

Cash Account

Goods-in-Transit Account

Creditors Account

Capital Account

Question # 5 Which of the following is TRUE with respect to the sacrifice ratio?

Old profit ratio – New profit ratio

Old profit ratio – Gross profit ratio

Old profit ratio – Net profit ratio

Old profit ratio – Operating profit ratio

Question # 6 Which of the following is equal to sales?

Cost of goods sold + Net profit

Gross profit – Cost of goods sold

Cost of goods sold + Gross profit

Cost of goods sold – Gross profit

Question # 7 What would be the value of depreciation allocated to **Department 'X'**, if the total depreciation on building is Rs. 3,000 and the area covered by Department 'X' & 'Y' is **2/3** and 1/3 respectively?

Rs. 3,000

Rs. 2,000

Rs. 1,000

Rs. 1,500

Question # 8 Which of the following is related to the qualitative characteristics that make financial information useful?

Understandability

Comparability

Both Understandability and Comparability

Reliability and Relevancy

Question # 9 Which of the following is used to extract the opening balance of loans in single entry system?

Creditors account

Cash account

Debtors account

Statement of affairs

Question # 10 Deferred tax liability would be treated in balance sheet as:

Non-Current Liabilities

Current Liabilities

Contingent Liabilities

Medium Term Liabilities

Question # 11 A subsidiary is a company that is controlled by a parent company through majority ownership of its:

Debtors

Debentures

Common Stock

Both preferred and Common Stock

Question # 12 Which of the following is/are represent(s) the "Losses" with respect to the IASB's Framework?

Disposal of assets at a value lesser than its carrying amount

Discharge of liabilities at a value higher than its carrying amount

Disposal of assets at a value lesser than its book amount

All of the given options

Question # 13 Which of the following is NOT a capital payment?

Purchase of fixed assets

Repayment of bank loans (Long-term)

Drawings

Payments of rent

Question # 14 "Receipts and Payments Account" is prepared at the:

End of the year

Start of the year

Mid of the financial year

None of the given options

Question # 15 Which of the following represents that the shares are issued at a price above the face value?

Share issued at premium

Share issued at discount

Share issued at par value

Share issued at nominal value

Question # 16 Which of the following is/are NOT allocated and apportioned on the basis of "Number of employees" by each department?

Rent expense

Bad debts provision

Depreciation expense

All of the given options

Question # 17 The branch which maintains its own books of accounts is called:

Retail branch

Wholesale branch

Independent branch

Dependent branch

Question # 18 Which of the following is/are equal to "Capital"?

Net Assets

Assets – Liabilities

Net worth of the firm

All of the given options

Question # 19 Under the net wroth method of single entry the Net profit is equal to:

Closing capital -Opening Capital

Opening Capital - Closing capital

Opening Capital + Closing capital

Total Assets + Total Liabilities

Question # 20 An independent branch also prepares a trial balance because it records the transactions based on:

Single entry system

Cash accounting

Double entry system

Stock & Debtor system

Independent Branch
This is the type of branch which maintains its own set of books. The method of accounting is the double entry book keeping.

Question # 1 of 20 (Start time: 04:20:55 PM)

In branch accounting, under the debtors system of profit calculation, which of the following is not accounted for in the books of head office?

Cash sales of Branch

Credit sales of Branch

Branch opening balance of assets

Branch closing liabilities

Question # 2 of 20 (Start time: 04:22:11 PM)

Unrealized profit on the closing stock has __________ effect on the general Profit & Loss Account.

Positive

Negative

Both Negative & Positive

Question # 3 of 20 (Start time: 04:23:30 PM)

The debit side of the Branch stock account indicates:

Inflow of cash

Outflow of cash

Inflow of stock

Outflow of stock

Question # 4 of 20 (Start time: 04:24:53 PM)

Which of the following is used to extract the opening balance of fixed assets in single entry system?

Debtors account

Cash account

Statement of affairs

Assets account

Question # 5 of 20 (Start time: 04:25:45 PM)

Under single entry system, which of the following is prepared in order to have an idea about the financial position on a particular date?

Balance sheet

Stement of equity

Statement of affairs

Profit and loss account

Question # 6 of 20 (Start time: 04:26:25 PM)

The particulars of profit and loss Statement in single entry system may include the following EXCEPT:

Opening capital

Closing capital

Expenses

Drawings

Question # 7 of 20 (Start time: 04:27:05 PM)

In which of the following cases would consolidation be inappropriate?

The subsidiary is in bankruptcy

Subsidiary's operations are dissimilar from those of the parent

The parent owns 90 percent of the subsidiary's common stock, but all of the subsidiary's debentures are held by a single investor

Subsidiary is a foreign company

Question # 8 of 20 (Start time: 04:28:36 PM)

In the accounts of Non-profit organization, payment of honorarium is treated as:

Capital expenditure

Revenue expenditure

Capital income

Revenue income

An honorarium is defined as a payment for professional services

Question # 9 of 20 (Start time: 04:30:02 PM)

Which of the following expense is NOT allocated and apportioned on the basis of purchase of raw material made by each department?

Discount receive

Import duty

Carriage inward

Canteen expense

Question # 10 of 20 (Start time: 04:31:10 PM)

Ahmad & Co. changed LIFO method to FIFO method to account for its finished goods inventory. Whether it is:

Change in accounting policy

Prior period error

Change in accounting estimate

Irrelevant item

Question # 11 of 20 (Start time: 04:32:05 PM)

What would be the value of depreciation allocated to Department 'X', if the total depreciation on building is Rs. 3,000 and the area covered by Department 'X' & 'Y' is 2/3 and 1/3 respectively?

Rs. 3,000

Rs. 2,000

Rs. 1,000

Rs. 1,500

Question # 12 of 20 (Start time: 04:32:33 PM)

Which of the following is/are the source/s for the issuance of bonus shares?

Balance from profit and loss appropriation account

Premium on issue of shares account

Premium on issue of debentures account

All of the given options

Question # 13 of 20 (Start time: 04:33:58 PM)

Which of the following appears in the credit side of Trial Balance of company account?

Expenses

Assets

Liabilities

None of the given options

Question # 14 of 20 (Start time: 04:35:21 PM)

The difference of two sides of "Receipts & Payments Account" represents:

Opening cash balance

Closing creditors

Closing cash or bank balance

Closing debtors

Question # 15 of 20 (Start time: 04:36:41 PM)

Which one of the following is NOT true about branch?

It can be independent

It can be dependent

It has Separate legal entity

It is a segment of an entity

Question # 16 of 20 (Start time: 04:37:27 PM)

Which of the following statement shows the financial position of a business at a certain point of time?

Income statement

Balance sheet

Statement of changes in equity

Statement of cash flows

Question # 17 of 20 (Start time: 04:38:05 PM)

Which of the following formula is utilized to find the value of whole business by capitalization of actual profits?

(Actual profit / normal rate of return) x 100

(Normal rate of return / Actual profit) x 100

(Normal profit /Actual profit) x 100

(Actual profit / Capital) x 100

Question # 18 of 20 (Start time: 04:39:32 PM)

Which of the following business publishes the Financial Statements?

Sole-Proprietorship

Partnership

Trust

Public Limited Company

Question # 19 of 20 (Start time: 04:40:04 PM)

Which of the following statement shows the financial position of the business?

Cash Flows Statement

Income Statement

Balance Sheet

Statement of Owner's equity

Question # 20 of 20 (Start time: 04:40:46 PM)

Under the net worth method of single entry system, profit is ascertained by calculating _________ and adjusting the drawings.

Increase in liabilities

Increase in assets

Increase in expenses

Increase in capital

Question # 1 of 20 (Start time: 03:43:46 PM) Total Marks: 1

In Non-profit organization, the excess of total assets over total external liabilities is called:

Surplus

Deficit

Capital fund

Profit

Question # 2 of 20 (Start time: 03:44:22 PM) Total Marks: 1

Which one of the following attribute may raise Goodwill in a business?

Good reputation

Good customer relationship

Outstanding credit rating

All of the given options

Question # 3 of 20 (Start time: 03:44:43 PM) Total Marks: 1

Which of the following account will be credited in the books of head, when it allocates a part of its own expense to the branch?

Branch Account

Expense Account

Profit And Loss Account

Cash account

Question # 4 of 20 (Start time: 03:45:28 PM) Total Marks: 1

Which of the following is/are NOT allocated and apportioned on the basis of purchase of raw material by each department?

Repair and Renewals

Works manager's salary

Selling expense

All of the given options

Question # 5 of 20 (Start time: 03:45:54 PM) Total Marks: 1

Which of the following is NOT a kind of Domestic branch?

Dependent branch

Retail branch

Whole sale branch

None of the given option

Question # 6 of 20 (Start time: 03:46:15 PM) Total Marks: 1

What will be the expense if the gross profit is Rs. 5,000 and net profit is 25% of the gross profit?

Rs. 1,250

Rs. 3,750

Rs. 4,150

Rs. 6,250

Question # 7 of 20 (Start time: 03:47:26 PM) Total Marks: 1

Profit of the business can be measured as an increase in:

The net liabilities of the business

The net worth of the business

The net working capital of the business

The net drawings of the business

Question # 8 of 20 (Start time: 03:47:53 PM) Total Marks: 1

Which of the following represents the partnership agreement in writing?

Partnership registration

Partnership deed

Partnership-at-will

Partnership certification

Question # 9 of 20 (Start time: 03:48:17 PM) Total Marks: 1

Which of the following is not a feature of branch debtor account, under the stock and debtor system?

It is credited with the discount allowed

It is credited with the credit sales

It is credited with the sales returns from debtors

It is credited with the bad debt during the year

Question # 10 of 20 (Start time: 03:49:04 PM) Total Marks: 1

What would be the value of depreciation allocated to Department 'X', if the total depreciation on building is Rs. 3,000 and the area covered by Department 'X' & 'Y' is 2/3 and 1/3 respectively?

Rs. 3,000

Rs. 2,000

Rs. 1,000

Rs. 1,500

Question # 11 of 20 (Start time: 03:49:24 PM) Total Marks: 1

Which of the following is/are the event/s after the balance sheet date with respect to IAS 10?

Adjusting events only

Non-adjusting events only

Both Adjusting and Non-adjusting events

None of the given options

Question # 12 of 20 (Start time: 03:50:05 PM) Total Marks: 1

Which of the following is another name of Final dividend?

Interim dividend

Declared dividend

Stock dividend

Cash dividend

Question # 13 of 20 (Start time: 03:50:40 PM) Total Marks: 1

If the profit is 1/4 of the sales then it is:

1/4 of the cost price

1/5 of the cost price

1/2 of the cost price

1/3 of the cost price

Question # 14 of 20 (Start time: 03:51:12 PM) Total Marks: 1

If inter-company receivables and payables are not eliminated when a consolidated balance sheet is prepared, both consolidated assets and liabilities are:

Understated by an equal amount

Overstated by an equal amount

Overstated by an unequal amount

Correctly stated

Question # 15 of 20 (Start time: 03:52:22 PM) Total Marks: 1

The Joint Stock Company is formed under the Companies Ordinance:

1984

1979

1884

1962

Question # 16 of 20 (Start time: 03:52:49 PM) Total Marks: 1

Under Single-entry system, if the capital at the end of the year is less than the capital at the beginning of the year, the difference will represent:

Net Profit

Net loss

Gross loss

Gross profit

Question # 17 of 20 (Start time: 03:53:18 PM) Total Marks: 1

Which of the following type of business has a separate legal entity?

Sole-Proprietorship

Partnership

Company

Trust

Question # 18 of 20 (Start time: 03:53:36 PM) Total Marks: 1

Under which of the following assumptions, the Financial Statements are to be prepared?

Future assumption

Past assumption

Accrual basis and Going concern assumptions

Accrual basis assumption only

Question # 19 of 20 (Start time: 03:54:12 PM) Total Marks: 1

Which of the following method of profit calculation is quite similar to the single entry system under the branch accounting?

Income statement system

Debtor system

Stock and debtor system

Final account system

Question # 20 of 20 (Start time: 03:54:47 PM) Total Marks: 1

Which of the following is equal to sales?

Cost of goods sold + Net profit

Gross profit – Cost of goods sold

Cost of goods sold + Gross profit

Cost of goods sold – Gross profit

Question # 1 of 20 (Start time: 12:39:30 AM) Total Marks: 1

A free share of stock given to current/existing shareholders in a company is called;

Rights issue

Bonus Shares

Ordinary shares

None of the given options

Question # 2 of 20 (Start time: 12:40:07 AM) Total Marks: 1

When a single stockholder holds a majority of the voting stock, the remaining shares are referred to as the:

Controlling interest

Majority interest

Minority interest

None of the given option

Question # 3 of 20 (Start time: 12:41:32 AM) Total Marks: 1

The "credit balance" in the Income and Expenditure Account indicates:

The excess of income over expenditure

The excess of expenditure over income

The excess of cash receipts over cash payments

The excess of cash payments over cash receipts

Question # 4 of 20 (Start time: 12:43:03 AM) Total Marks: 1

Unrealized profit on the closing stock has __________ effect on the general Profit & Loss Account.

Positive

Negative

Both Negative & Positive

No effect at all

Question # 5 of 20 (Start time: 12:43:56 AM) Total Marks: 1

Investors need accounting information on a timely basis for three basic decisions:

Buy

Hold

Sell

All of the given options

Question # 6 of 20 (Start time: 12:44:27 AM) Total Marks: 1

Which of the following is used to extract the opening balance of fixed assets in single entry system?

Debtors account

Cash account

Statement of affairs

Assets account

Question # 7 of 20 (Start time: 12:45:22 AM) Total Marks: 1

Which of the following is NOT TRUE about the preference share?

Dividend on such share is a part of financial charges

It is also known as financial liability

It also is an equity instrument

Fixed rate of dividend is paid each year

Question # 8 of 20 (Start time: 12:46:35 AM) Total Marks: 1

Which of the following account will be credited for distribution of profit to partners?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 9 of 20 (Start time: 12:47:43 AM) Total Marks: 1

Which of the following is NOT included in the credit side of cash book?

Discount received

Capital payments

Closing balance of cash

Revenue payments

Question # 10 of 20 (Start time: 12:48:43 AM) Total Marks: 1

In the books of head office, the closing balance of branch creditors appear in the:

Debit side of the creditor account

Credit side of the head office account

Debit side of the branch account

Credit side of the branch account

Question # 11 of 20 (Start time: 12:49:43 AM) Total Marks: 1

Which of the following expense is NOT allocated and apportioned on the basis of purchase of raw material made by each department?

Discount receive

Import duty

Carriage inward

Canteen expense

Question # 12 of 20 (Start time: 12:50:15 AM) Total Marks: 1

What would be the value of depreciation allocated to Department 'X', if the total depreciation on building is Rs. 3,000 and the area covered by Department 'X' & 'Y' is 2/3 and 1/3 respectively?

Rs. 3,000

Rs. 2,000

Rs. 1,000

Rs. 1,500

Question # 13 of 20 (Start time: 12:50:54 AM) Total Marks: 1

Which one of the following is "False" about the rights issue?

A company can opt for a rights issue to raise capital.

The rights issue is a special form of shelf offering

Existing shareholders have the privilege to buy a specified number of new shares from the firm at a specified price within a specified time.

Shares are issued to the general public through market

Question # 14 of 20 (Start time: 12:51:40 AM) Total Marks: 1

Which of the following would be credited for increasing the provision for deferred tax?

Income tax expenses a/c

Deferred tax liabilities a/c

Provision for liabilities a/c

Provision for income tax a/c

Question # 15 of 20 (Start time: 12:52:17 AM) Total Marks: 1

Under benchmark treatment borrowing costs are:

Classified as specific

Classified as general

Classified as contingent liability

Not classified

Question # 16 of 20 (Start time: 12:53:43 AM) Total Marks: 1

Under Single-entry system, if the capital at the end of the year is less than the capital at the beginning of the year, the difference will represent:

Net Profit

Net loss

Gross loss

Gross profit

Question # 17 of 20 (Start time: 12:54:31 AM) Total Marks: 1

Which of the following is related to the qualitative characteristics that make financial information useful?

Understandability

Comparability

Both Understandability and Comparability

Reliability and Relevancy

Question # 18 of 20 (Start time: 12:55:13 AM) Total Marks: 1

Borrowing cost is shown under benchmark treatment in:

Profit and Loss Account as expense

Profit and Loss Account as income

Balance sheet as a liability

Balance sheet as an asset

Question # 19 of 20 (Start time: 12:56:19 AM) Total Marks: 1

In the accounts of Non-profit organization, payment of honorarium is treated as:

Capital expenditure

Revenue expenditure

Capital income

Revenue income

An honorarium is defined as a payment for professional services

As per def it suits to 1

Question # 20 of 20 (Start time: 12:57:30 AM) Total Marks: 1

The Single-entry system of book keeping is generally followed by:

Large business concerns

Non-Trading concerns

Small business concerns

None of the given options

Question # 1 of 20 (Start time: 07:43:30 PM) Total Marks: 1

The capital shall be maintained at the same figure during the Partnership and no adjustment shall be passed in the capital account during the period. Which method of Partnership capital account explain this?

Fluctuating capital

Fixed capital

Both of the above methods

None of the given options

Question # 2 of 20 (Start time: 07:44:52 PM) Total Marks: 1

Which of the following is NOT a capital receipt?

Receipt from sale of fixed assets

Receipt of commission

Receipt of bank loan (Long-term)

Receipt of owners' equity

Question # 3 of 20 (Start time: 07:46:16 PM) Total Marks: 1

Which of the following is NOT related to the qualitative characteristics that make financial information useful?

Reliability only

Relevancy only

Both Reliability and Relevancy

Understandability

Question # 4 of 20 (Start time: 07:47:44 PM) Total Marks: 1

While preparing the profit and loss account, advertisement expenses are allocated and apportioned to the different departments on the basis of:

Sales by each department

Number of employees

Purchase of goods by each department

Area / Floor space occupied

Question # 5 of 20 (Start time: 07:48:55 PM) Total Marks: 1

Which of the following account will be credited in case of decrease in the value of Machinery to make a revaluation of all assets and liabilities?

Machinery Account

Salaries Account

Sales Account

Current Assets Account

Question # 6 of 20 (Start time: 07:50:19 PM) Total Marks: 1

"Income and Expenditure Account" is debited with all:

Expenses

Earnings

Liabilities

Assets

Question # 7 of 20 (Start time: 07:51:47 PM) Total Marks: 1

Which of the following guide an entity to change the accounting policy?

The application of an accounting policy for transactions, other events or conditions that differ in substance from those previously occurring

The application of a new accounting policy for transactions, other events or conditions that did not occur previously or were immaterial

If the change is required by a standard or an interpretation

All of the given options

Question # 8 of 20 (Start time: 07:53:16 PM) Total Marks: 1

Under the net wroth method of single entry the Net profit is equal to:

Closing capital -Opening Capital

Opening Capital - Closing capital

Opening Capital + Closing capital

Total Assets + Total Liabilities

Question # 9 of 20 (Start time: 07:54:10 PM) Total Marks: 1

Borrowing cost is shown under benchmark treatment in:

Profit and Loss Account as expense

Profit and Loss Account as income

Balance sheet as a liability

Balance sheet as an asset

Question # 10 of 20 (Start time: 07:55:36 PM) Total Marks: 1

Which of the following entity is profit oriented?

NGO

Trust

Society

Limited Company

Question # 11 of 20 (Start time: 07:56:03 PM) Total Marks: 1

Which of the following statement shows the financial position of the business?

Cash Flows Statement

Income Statement

Balance Sheet

Statement of Owner's equity

Question # 12 of 20 (Start time: 07:56:26 PM) Total Marks: 1

Which of the following statement is TRUE about the issuance of bonus shares?

These are issued to the existing share holders

These are issued against capitalization of the reserves

It causes a decrease in the EPS comparing with the previous year's EPS

All of the given options

Question # 13 of 20 (Start time: 07:57:35 PM) Total Marks: 1

The "credit balance" in the Income and Expenditure Account indicates:

The excess of income over expenditure

The excess of expenditure over income

The excess of cash receipts over cash payments

The excess of cash payments over cash receipts

Question # 14 of 20 (Start time: 07:58:11 PM) Total Marks: 1

The particulars of profit and loss Statement in single entry system may include the following EXCEPT:

Opening capital

Closing capital

Expenses

Drawings

Question # 15 of 20 (Start time: 07:58:49 PM) Total Marks: 1

Which of the following account will be credited for salary payable to partners against the distribution of profit?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Salaries account

Question # 16 of 20 (Start time: 08:00:18 PM) Total Marks: 1

Which of the following represents the partnership agreement in writing?

Partnership registration

Partnership deed

Partnership-at-will

Partnership certification

Question # 17 of 20 (Start time: 08:00:44 PM) Total Marks: 1

Which of the following is/ are the feature/s of the branch stock account, under the stock and debtor sustem?

It controls branch stock

It is maintained at invoice price

The balance of this account shows the actual stock with the branch

All of the given options

Question # 18 of 20 (Start time: 08:01:32 PM) Total Marks: 1

If incoming partner brings the goodwill in cash and it is paid by the incoming partner to the old partners privately in the ratio of their sacrifice. What accounting entry would be passed in the books of firm?

Bank a/c debit and Goodwill a/c credit

Goodwill a/c debit and old partner's capital a/c credit

Goodwill a/c debit and cash a/c credit

No entry

Question # 19 of 20 (Start time: 08:02:48 PM) Total Marks: 1

Which of the following is used to extract the opening balance of fixed assets in single entry system?

Debtors account

Cash account

Statement of affairs

Assets account

Question # 20 of 20 (Start time: 08:03:21 PM) Total Marks: 1

Under Single-entry system, if the capital at the end of the year is less than the capital at the beginning of the year, the difference will represent:

Net Profit

Net loss

Gross loss

Gross profit

Question # 1 of 20 (Start time: 08:04:21 PM) Total Marks: 1

Which of the following would be credited for increasing the provision for deferred tax?

Income tax expenses a/c

Deferred tax liabilities a/c

Provision for liabilities a/c

Provision for income tax a/c

Question # 2 of 20 (Start time: 08:05:19 PM) Total Marks: 1

If the profit is 1/4 of the sales then it is:

1/4 of the cost price

1/5 of the cost price

1/2 of the cost price

1/3 of the cost price

Question # 3 of 20 (Start time: 08:05:58 PM) Total Marks: 1

The Joint Stock Company is formed under the Companies Ordinance:

1984

1979

1884

1962

Question # 4 of 20 (Start time: 08:06:17 PM) Total Marks: 1

OWNERS EQUITY = ASSETS - LIABILITIES This version of the equation shows that at a given point in time, if assets exceed liabilities, the excess (residual) amount is attributed to the owners. Other term used to refer to assets minus liabilities is;

Net profit

Total Assets

Net worth

Gross profit

Question # 5 of 20 (Start time: 08:07:03 PM) Total Marks: 1

Mr. Asghar introduces the opening capital of Rs. 6,500 in the business and further capital of Rs. 3,000 during the year. His capital at the end of the year is Rs.11,000. What will be the profit for Mr. Asghar?

Rs.1,500

Rs.4,500

Rs.7,000

Rs.20,500

Question # 6 of 20 (Start time: 08:07:40 PM) Total Marks: 1

An equity instrument of another entity, hold by a company will be known as:

Financial asset

Financial liability

Treasury stock

Preference stock

Question # 7 of 20 (Start time: 08:08:49 PM) Total Marks: 1

Which of the following is NOT a feature of branch cash account, under the stock and debtor system?

It is debited with the cash sent to branch

It is debited with the cash received from branch debtors

it is debited with the branch expenses during the year

it is debited with the opening balance of cash

Question # 8 of 20 (Start time: 08:09:51 PM) Total Marks: 1

Which of the following business publishes the Financial Statements?

Sole-Proprietorship

Partnership

Trust

Public Limited Company

Question # 9 of 20 (Start time: 08:10:12 PM) Total Marks: 1

Which of the following is/are NOT allocated and apportioned on the basis of "Number of employees" by each department?

Rent expense

Bad debts provision

Depreciation expense

All of the given options

Question # 10 of 20 (Start time: 08:10:36 PM) Total Marks: 1

A branch that works independent to the head office is also known as:

Profit centre

Investment centre

Retail centre

Whole sale branch

Question # 11 of 20 (Start time: 08:11:01 PM) Total Marks: 1

Which of the following option is TRUE about the Draft Financial Statements?

Draft statements are prepared by the accounts department

Draft statements are audited by the external auditors

Draft statements are put in front of the Board of Directors for approval

All of the given options

Question # 12 of 20 (Start time: 08:11:51 PM) Total Marks: 1

What would be the value of total sales by head office if the goods sent to independent branch are Rs. 50,000 and sales by Head office is Rs. 40,000?

Rs. 10,000

Rs. 40,000

Rs. 50,000

Rs. 90,000

Question # 13 of 20 (Start time: 08:12:33 PM) Total Marks: 1

If incoming partner brings the goodwill in cash and it is paid by the incoming partner to the old **partners privately** in the ratio of their sacrifice. What accounting entry would be passed in the books of firm?

Bank a/c debit and Goodwill a/c credit

Goodwill a/c debit and old partner's capital a/c credit

Goodwill a/c debit and cash a/c credit

No entry

If the amount of *goodwill* is *paid* by the new partner to the existing Partner *privately*, no journal entries are made in the books of the firm

Question # 14 of 20 (Start time: 08:12:56 PM) Total Marks: 1

Which of the following is NOT included in the credit side of cash book?

Discount received

Capital payments

Closing balance of cash

Revenue payments

Question # 15 of 20 (Start time: 08:13:33 PM) Total Marks: 1

The particulars of profit and loss Statement in single entry system may include the following EXCEPT:

Opening capital

Closing capital

Expenses

Drawings

Question # 16 of 20 (Start time: 08:14:00 PM) Total Marks: 1

Which of the following represents the partnership agreement in writing?

Partnership registration

Partnership deed

Partnership-at-will

Partnership certification

Question # 17 of 20 (Start time: 08:14:14 PM) Total Marks: 1

Which of the following is/are related to the IAS-37?

Contingent Liabilities

Contingent Assets

Provisions

All of the given options

Question # 18 of 20 (Start time: 08:14:55 PM) Total Marks: 1

Which of the following account is not attributed to the books of an independent branch?

Cash Account

Goods-in-Transit Account

Creditors Account

Capital Account

Question # 19 of 20 (Start time: 08:15:39 PM) Total Marks: 1

Which of the following represents the objective of the financial statements?

To provide the information about the business objectives

To provide the information about the business liabilities

To provide the information about the financial position, financial performance and changes in financial position

To provide the information about the business assets

Question # 20 of 20 (Start time: 08:16:11 PM) Total Marks: 1

Which of the following account will be debited for interest on drawings in case of distribution of profit?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 1 of 20 (Start time: 08:17:52 PM) Total Marks: 1

Which of the following entity is profit oriented?

NGO

Trust

Society

Limited Company

Question # 2 of 20 (Start time: 08:18:09 PM) Total Marks: 1

Which of the following account will be credited in the books of head, when it allocates a part of its own expense to the branch?

Branch Account

Expense Account

Profit And Loss Account

Cash account

Question # 3 of 20 (Start time: 08:19:22 PM) Total Marks: 1

Which of the following is/ are the feature/s of the branch stock account, under the stock and debtor sustem?

It controls branch stock

It is maintained at invoice price

The balance of this account shows the actual stock with the branch

All of the given options

Question # 4 of 20 (Start time: 08:20:06 PM) Total Marks: 1

Which of the following is TRUE with respect to the loss on revaluation of assets and liabilities?

New profit ratio is utilized for loss distribution

Capital of old partners are credited

Revaluation account is debited

Revaluation account is credited

Question # 5 of 20 (Start time: 08:21:01 PM) Total Marks: 1

Which of the following account will be credited for salary payable to partners against the distribution of profit?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Salaries account

Question # 6 of 20 (Start time: 08:22:04 PM) Total Marks: 1

Which of the following is TRUE with respect to the sacrifice ratio?

Old profit ratio – New profit ratio

Old profit ratio – Gross profit ratio

Old profit ratio – Net profit ratio

Old profit ratio – Operating profit ratio

Question # 7 of 20 (Start time: 08:22:54 PM) Total Marks: 1

Which of the following account will be credited for distribution of profit to partners?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 8 of 20 (Start time: 08:24:22 PM) Total Marks: 1

Which of the following expense can NOT be allocated and apportioned by each department separately?

Discount allowed

Group insurance

General expenses

Wages and salaries

Question # 9 of 20 (Start time: 08:24:48 PM) Total Marks: 1

Which of the following account will be credited for interest on drawings in case of distribution of profit?

Profit and loss account

Profit and loss appropriation account

Partner's capital accounts

Cash account

Question # 10 of 20 (Start time: 08:25:31 PM) Total Marks: 1

Which of the following statement is NOT TRUE about the journal entry of the Cash-in-transit?

It is recorded when cash is on the way

It is recorded by both Head office and the Branch

It is recorded by either of the parties

All of the given options

Question # 11 of 20 (Start time: 08:26:20 PM) Total Marks: 1

Rent and rates are allocated and apportioned to the different departments on the basis of:

Sale of each department

Number of employees

Purchase of each department

Area / Floor space occupied

Question # 12 of 20 (Start time: 08:26:46 PM) Total Marks: 1

Which of the following statement shows the financial position of the business?

Cash Flows Statement

Income Statement

Balance Sheet

Statement of Owner's equity

Question # 13 of 20 (Start time: 08:27:02 PM) Total Marks: 1

An independent branch also prepares a trial balance because it records the transactions based on:

Single entry system

Cash accounting

Double entry system

Stock & Debtor system

Question # 14 of 20 (Start time: 08:27:40 PM) Total Marks: 1

Which of the following IAS covers the treatment and recognition of Provisions?

IAS 33

IAS 37

IAS 38

IAS 39

Question # 15 of 20 (Start time: 08:27:59 PM) Total Marks: 1

ABC Company is a partnership firm has the excess of actual profit (average profit) over the normal profit of an entity, which goodwill calculation method describes it?

Super profit method

Average profit method

Declining balance method

Straight line method

Question # 16 of 20 (Start time: 08:28:47 PM) Total Marks: 1

Individuals or institutions with activities, other than trade, are known as:

Manufacturing concerns

Non-trading concerns

Trading concerns

None of the given options

Question # 17 of 20 (Start time: 08:29:10 PM) Total Marks: 1

Under single entry system, which of the following is prepared in order to have an idea about the financial position on a particular date?

Balance sheet

Stement of equity

Statement of affairs

Profit and loss account

Question # 18 of 20 (Start time: 08:29:28 PM) Total Marks: 1

In Non-Profit Organizations, excess of income over expenditure is called:

Deficit

Surplus

Net profit

Net loss

Question # 19 of 20 (Start time: 08:29:46 PM) Total Marks: 1

Which of the following is NOT included in the credit side of cash book?

Discount received

Capital payments

Closing balance of cash

Revenue payments

Question # 20 of 20 (Start time: 08:30:12 PM) Total Marks: 1

With respect to IAS 10, business announcing a plan to discontinue an operation after the balance sheet dates is considered as which of the following?

Adjusting Event

Non-Adjusting Event

Bogus Event

Contingent Event