

ACCOUNTING 2021

(AS PER CONDENSED SYLLABUS)

TIME: 2 Hours (100 Marks)

NOTE: i) This section consists of 25 part questions and all are to be answered. Each question carries ONE marks.

ii) Do not copy the part questions in your answer book. Write only the answer in full against the proper number of the question and its part.

SECTION 'A' (Multiple Choice Questions)(50)

1. Choose the correct answer for each from the given options:

(i) The company declares dividends out of:

- * Capital
- * Expenses
- * Cash
- * Retained Earnings ✓

(ii) Gain or Loss on realization is transferred to:

- * creditors account
- * partner's capital account ✓
- * asset account
- * debtors account

(iii) Total Cost – Accumulated Depreciation is equal to:

- * Book value ✓
- * Actual cost
- * Depreciation expense
- * Salvage value

(iv) In case of Non-profit concerns, remaining cash is to be distributed among the partners:

- * Surplus
- * Accumulated fund ✓
- * Investment
- * Deficit

(v) At the time of liquidation, remaining cash is to be distributed among the partners:

- * On beginning capital ratio
- * On ending capital ratio
- * As per capital balances at the end ✓
- * Equally

(vi) The price of the share, which is quoted on stock exchange is called:

- * Market value ✓
- * Book value
- * Face value
- * Par value

(vii) In case of insolvency of a partners, his/her capital deficiency is borne by:

- * creditors
- * debtors
- * himself/herself
- * other solvent partners ✓

(viii) Subscriptions received in advance is a/an:

- * Income
- * Expense
- * Asset
- * Liability ✓

(ix) The Depreciation is not charged on:

- * Building
- * Furniture
- * Office Equipment
- * Land ✓

(x) The expenses incurred in the formation of a company are:

- * Indirect expenses
- * General expenses
- * Selling expenses
- * Preliminary expenses ✓

(xi) If Shares are offered at more than their par value, the excess amount is called:

- * Net operating Income
- * Premium ✓
- * Discount
- * Interest

(xii) Salvage value is not considered when depreciation is calculated under:

- * Working hour method
- * Fixed installment method
- * Unit Production method
- * Diminishing balance method ✓

(xiii) The account, through which a non-profit organization ascertain its surplus or deficit is called:

- * Balance sheet
- * Receipts and payments account
- * Income and expenditure account ✓
- * Profit and loss account

(xiv) In case of liquidation of a firm, the assets of the firm are:

- * Purchased
- * Sold ✓
- * Distributed
- * Donated

(xv) This account is maintained under fixed capital approach in profit & loss distribution:

- * Realization account
- * Revaluation account
- * Current Account ✓
- * Income and expenditure account

(xvi) In single entry system the statement of affairs is similar to:

- * Trial balance
- * Balance sheet ✓
- * Cash book
- * Income statement

(xvii) Capital expenditure are recorded as a/an:

- * Asset ✓
- * Liability
- * Capital
- * Expense

(xviii) In case of admission of a partner, if the old partners are not ready to reduced their capitals it means:

- * Bonus to new partners
- * Bonus to old partner
- * Good will to new partner
- * Good will to old partner ✓

(xix) When two or more individual engage in an enterprise as co-owners, the organization is known as:

- * Sole proprietorship
- * Trust
- * Partnership ✓
- * Joint Stock Company

(xx) Debenture holders are the:

- * Creditors of the company ✓
- * Owners of the company
- * Customers of the company
- * Employees of the company

(xxi) The nature of insurance in transit is a :

- * Revenue expenditure
- * Selling expenditure
- * Capital expenditure ✓
- * Operating expenditure

(xxii) The excess of receipts over expenditure in a non-profit concern is:

- * Deficit
- * Surplus ✓
- * Gross profit
- * Retained Earnings

(xxiii) In case of retirement of a partner, under sale of interest method, the total capital of the partnership firm will:

- * Increase
- * Decrease
- * Remains constant ✓
- * None of these

(xxiv) Discount availed, during concession period is known as:

- * Trade discount
- * Sales discount

- * Cash discount ✓
- * Quality discount

(xxv) The receipts and payments account is a summary of:

- * Cash book ✓
- * Balance sheet
- * Trial balance
- * Profit and loss account