

Class: 12

NAME _____

ROLL NO _____

STREAM _____

1.Features of a partnership firm are:

- (A) Two or more persons are carrying common business under an agreement.
 (B) They are sharing profits and losses in the fixed ratio.
 (C) Business is carried by all or any of them acting tor all as an agent.
 (D) All of the above.

2.X, Y and Z are partners sharing profits and losses equally. Their capital balances on March, 31, 2012 are ₹80,000, ₹60,000 and ₹40,000 respectively. Their personal assets are worth as follows : X — ₹20,000, Y — ₹15,000 and Z — ₹10,000. The extent of their liability in the firm would be :

- (A) X — ₹80,000 : Y — ₹60,000 : and Z — ₹40,000 (B) X — ₹20,000 : Y — ₹15,000 : and Z — ₹10,000
 (C) X — ₹1,00,000 : Y — ₹75,000 : and Z — ₹50,000 (D) Equal

3.Partnership Deed is also called

- (A) Prospectus (B) Articles of Association (C) Principles of Partnership (D) Articles of Partnership

4.. In the absence of Partnership Deed, the interest is allowed on partner's capital:

- (A) @ 5% p.a. (B) @ 6% p.a. (C) @ 12% p.a. (D) No interest is allowed

5.A and B are partners in partnership firm without any agreement. A has given a loan of ₹50,000 to the firm. At the end of year loss was incurred in the business. Following interest may be paid to A by the firm :

- (A) @5% Per Annum (B) @ 6% Per Annum
 (C) @ 6% Per Month (D) As there is a loss in the business, interest can't be paid

6.According to Profit and Loss Account, the net profit for the year is ₹4,20,000. Salary of a partner is ₹5,000 per month and the commission of another partner is ₹10,000. The interest on drawings of partners is ₹4,000. The net profit as per Profit and Loss Appropriation Account will be :

- (A) ₹3,54,000 (B) ₹3,46,000 (C) ₹4,09,000 (D) ₹4,01,000

7.Net profit of a firm is ₹79,800. Manager is entitled to a commission of 5% of profits after charging his commission. Manager's Commission will be :

- (A) ₹4,200 (B) ₹380 (C) ₹3,990 (D) ₹3,800

8.If the Partners' Capital Accounts are fixed 'salary payable to partner' will be recorded :

- (A) On the debit side of Partners' Current Account (B) On the debit side of Partners' Capital Account
 (C) On the credit side of Partners' Current Account (D) None of the above

9.X and Y are partners in the ratio of 3 : 2. Their capitals are ₹2,00,000 and ₹1,00,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm earned a profit of ₹15,000 for the year ended 31st March 2019. As per partnership agreement, interest on capital is treated a charge on profits. Interest on Capital will be :

- (A) X ₹16,000; Y ₹8,000 (B) X ₹9,000; Y ₹6,000 (C) X ₹10,000; Y ₹5,000 (D) No Interest will be allowed

10.Anuradha is a partner in a firm. She withdrew ₹6,000 in the beginning of each quarter during the year ended 31st March, 2019. Interest on her drawings @ 10% p.a. will be :

- (A) ₹900 (B) ₹1,200 (C) ₹1,500 (D) ₹600

11.P and Q sharing profits in the ratio of 2 : 1 have fixed capitals of ₹90,000 and ₹60,000 respectively. After closing the accounts for the year ending 31st March 2019 it was discovered that interest on capitals was provided @ 6% instead of 8% p.a. In the adjusting entry :

- (A) P will be credited by ₹1,800 and Q will be credited by ₹1,200;
 (B) P will be debited by ₹200 and Q will be credited by ₹200;
 (C) P will be credited by ₹200 and Q will be debited by ₹200;
 (D) P will be debited by ₹1,800 and Q will be debited by ₹1,200;

12.When a partner is given guarantee by other partners, loss on such guarantee will be borne by :

- (A) Partnership firm (B) All the other partners
 (C) Partners who give the guarantee (D) Partner with highest profit sharing ratio.

13.Sacrificing Ratio :

- (A) New Ratio – Old Ratio (B) Old Ratio – New Ratio (C) Old Ratio – Gaining Ratio (D) Gaining Ratio – Old Ratio

14.A and B were partners in a firm sharing profit or loss equally. With effect from 1st April 2019 they agreed to share profits in the ratio of 4 : 3. Due to change in profit sharing ratio, A's gain or sacrifice will be :

- (A) Gain 1/14 (B) Sacrifice 1/14 (C) Gain 4/7 (D) Sacrifice 3/7

15. The excess amount which the firm can get on selling its assets over and above the saleable value of its assets is called :

- (A) Surplus (B) Super profits (C) Reserve (D) Goodwill

16. The Goodwill of the firm is NOT affected by :

- (A) Location of the firm (B) Reputation of firm (C) Better customer service (D) None of the above

17. Capital employed by a partnership firm is ₹5,00,000. Its average profit is ₹60,000. The normal rate of return in similar type of business is 10%. What is the amount of super profits?

- (A) ₹50,000 (B) ₹10,000 (C) ₹6,000 (D) ₹56,000

18. The profits earned by a business over the last 5 years are as follows : ₹12,000; ₹13,000; ₹14,000; ₹18,000 and ₹2,000 (loss). Based on 2 years purchase of the last 5 years profits, value of Goodwill will be :

- (A) ₹23,600 (B) ₹22,000 (C) ₹1,10,000 (D) ₹1,18,000

19. Under the capitalisation method, the formula for calculating the goodwill is:

- (A) Super profits multiplied by the rate of return (B) Average profits multiplied by the rate of return
(C) Super profits divided by the rate of return (D) Average profits divided by the rate of return

20. The average capital employed of a firm is 4,00,000 and the normal rate of return is 15%. The average profit of the firm is 80,000 per annum. If the remuneration of the partners is estimated to be 10,000 per annum, then on the basis of two years purchase of super-profit, the value of the Goodwill will be :

- (A) ₹10,000 (B) ₹20,000 (C) ₹60,000 (D) ₹80,000

21. P and Q were partners sharing profits and losses in the ratio of 3 : 2. They decided that with effect from 1st January, 2019 they would share profits and losses in the ratio of 5 : 3. Goodwill is valued at 1,28,000. In adjustment entry :

- (A) Cr. P by ₹3,200; Dr. Q by ₹3,200 (B) Cr. P by ₹37,000; Dr. Q by ₹37,000
(C) Dr. P by ₹37,000; Cr. Q by ₹37,000 (D) Dr. P by ₹3,200 Cr. Q by ₹3,200

22. A, B and C are partners in a firm sharing profits in the ratio of 3 : 4 : 1. They decided to share profits equally w.e.f. 1st April, 2019. On that date the Profit and Loss Account showed the credit balance of 96,000. Instead of closing the Profit and Loss Account, it was decided to record an adjustment entry reflecting the change in profit sharing ratio. In the journal entry :

- (A) Dr. A by ₹4,000; Dr. B by ₹16,000; Cr. C by ₹20,000 (B) Cr. A by ₹4,000; Cr. B by ₹16,000; Dr. C by ₹20,000
(C) Cr. A by ₹16,000; Cr. B by ₹4,000; Dr. C by ₹20,000 (D) Dr. A by ₹16,000; Dr. B by ₹4,000; Cr. C by ₹20,000

23. X, Y and Z are partners sharing profits and losses in the ratio 5 : 3 : 2. They decide to share the future profits in the ratio 3 : 2 : 1. Workmen compensation reserve appearing in the balance sheet on the date if no information is available for the same will be :

- (A) Distributed to the partners in old profit sharing ratio (B) Distributed to the partners in new profit sharing ratio
(C) Distributed to the partners in capital ratio (D) Carried forward to new balance sheet without any adjustment

24. Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of a new agreement is called

- (A) Revaluation of partnership. (B) Reconstitution of partnership.
(C) Realization of partnership. (D) None of the above.

25. A, B and C are equal partners in the firm. It is now agreed that they will share the future profits in the ratio 5:3:2. Sacrificing ratio and gaining ratio of different partners will be :

- (A) A sacrifice 5/30, B Gain 1/30, C Gain 4/30 (B) A Gain 5/30, B Sacrifice 1/30, C Sacrifice 4/30
(C) A Gain 5/30, B Sacrifice 4/30, C Sacrifice 1/30 (D) A sacrifice 5/30, B Gain 4/30, C Gain 1/30

26. The balance of the revaluation account is transferred to the old partner's capital accounts in their _____.

- (a) New profit-sharing ratio (b) Equal ratio (c) Old profit-sharing ratio (d) None of the above

27. When the new partner pays for goodwill in cash, the amount should be debited in the firm's book to _____.

- (A) Cash account (B) Capital account of a new partner
(C) Goodwill account (D) None of the above

28. Recording of an unrecorded asset on the reconstitution of a partnership firm will be _____.

- (A) A loss to the existing partners (B) Neither a gain nor a loss to the existing partners
(C) A gain to the existing partners (D) None of the above

29. Partnership will be dissolved if

- (A) Profit sharing ratio change (B) Admission of a partner (C) Retirement of partner (D) All of these.

30. Assertion (A) : Realisation account is prepared at the time of dissolution of partnership.

Reason (R) : Realisation account records the cash release from sale of assets and amount paid to external liabilities.

- (A) Both Assertion (A) and Reason (R) are True and Reason (R) is correct explanation of Assertion.
(B) Both Assertion (A) and Reason (R) are True and Reason (R) is not correct explanation of Assertion.

(C) Assertion (A) is true, Reason (R) is false. (D) Assertion (A) is false, Reason (R) is true.

31..A and B are partners sharing profits equally. The firm is going to be dissolved. At that time Mrs A has given loan of ₹ 50,000 to the firm @6% interest and simultaneously A has also given loan of ₹ 1,00,000. The assets realized ₹ 10,00,000. Who will be paid first?

(a) Partner A (b) Partner B (c) Mrs. A (d) Partner A and Partner b in their profit-sharing ratio

32.A and B share profits in the ratio of 3 : 2. They agreed to admit C on the condition that A will sacrifice 3/25th of his share of profit in favour of C and B will sacrifice 1/25th of his profits in favour of C. The new profit sharing ratio will be

(A) 12 : 9:4 (B) 3 : 2 : 4 (C) 66 : 48 : 11 (D) 48 : 66 : 11

33. A new partner may be admitted into a partnership:

(a) With the consent of any one partner (b) With the consent of majority of partners
(c) with the consent of all old partners (d) With the consent of 2/3 rd of old partners

34. A and B were partners in a firm with capital of Rs.3,00,000 and Rs.2,00,000 respectively. N was admitted as a new partner for 1/4th share in the profits of the firm. N brought Rs.1,20,000 for her share of Goodwill premium and Rs.2,40,000 for her capital. The amount of Goodwill premium credited to A will be:-

(a) 40,000 (b) 30,000 (c) 72000 (d) 60,000

35. When a new partner does not bring his share of Goodwill in Cash, the amount is debited to:

(a) Cash A/c (b) Premium A/c (c) Current account of the new partner (d) Capital account of the Old partner

36. If at The time of admission, there is some unrecorded liability, it will be:

(a) Debited to Revaluation Account (b) Credited to Revaluation account
(c) Debited to Goodwill Account (d) Credited to partner Capital A/c

37. Goodwill of a firm of A and B is valued at Rs.30,000. It is appearing in the books at Rs.12,000. C is admitted for 1/4 share. What amount he is supposed to bring for Goodwill?

(a) Rs.3000 (b) Rs.4500 (c) Rs.7500 (d) Rs.10500

38. A,B,C and D are partners. A and B share 2/3rd of profits equally and C and D share remaining profits in the ratio of 3:2. Find the profit sharing ratio of A, B, C and D.

(a) 5:5:3:2 (b) 7:7:6:4 (c) 2.5:2.5:8:6 (d) 3:9:8:3

39. Sun and Star were partners in a firm sharing profits in the ratio of 2:1. Moon was admitted as a new partner in the firm. New profit sharing ratio was 3:3:2. Moon brought the following assets towards his share of Goodwill and his Capital:

Machinery Rs.2,00,000 Furniture Rs.1,20,000 Stock Rs.80,000 Cash Rs.50,000

If his Capital is considered as Rs.3,80,000 the Goodwill of the firm will be:

(a) Rs.70,000 (b) Rs.2,80,000 (c) Rs.4,50,000 (d) Rs.1,40,000

40. Retiring partner is compensated for parting with the firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in:

(a) Gaining ratio (b) Capital ratio (c) Sacrificing ratio (d) Profit sharing ratio

41. What treatment is made of accumulated profits and losses on the retirement of a partner?

(a) Credited to all partner's capital accounts in old ratio.
(b) Debited to all partner's capital accounts in old ratio.
(c) Credited to remaining partner's capital accounts in new ratio
(d) Credited to remaining partner's capital accounts in gaining ratio.

42. What journal entry will be recorded for writing off the goodwill already existing in Balance Sheet at the time of retirement of a partner?

(A) Retiring Partner's Capital A/c Dr. To Goodwill A/c
(B) All Partner's Capital A/cs (including retiring) Dr. (in old ratio) To Goodwill A/c
(C) Remaining Partner's Capital A/cs Dr. (in gaining ratio) To Goodwill A/c
(D) Remaining Partner's Capital A/cs Dr. (in new ratio) To Goodwill A/c

43. On the death of a partner, the amount due to him will be credited to :

(a) All partner's Capital Accounts (b) Remaining partner's Capital Accounts
(c) His Executor's Account (d) Governments' Revenue Account

44. P, Q and R are partners sharing profits in the ratio of 5 : 4 : 3. Q retires and P and R decide to share future profits equally. Gaining Ratio will be :

(a) 5 : 3 (b) 1 : 1 (c) 1 : 3 (d) 3 : 1

45. A, B and C are partners sharing profits in the ratio of 1/2 : 1/4 : 1/4. New ratio on the retirement of B will be :

(a) 2 : 4 (b) 1 : 2 (c) 2 : 1 (d) 1/4 : 1/2

46. X, Y and Z have been sharing profits in the ratio of 4 : 2 : 1. Z retires. X and Y take Z's share equally. New profit sharing ratio will be :

- (a) 5 : 2 (b) 5 : 3 (c) 9 : 5 (d) 4 : 2

47. A, B and C were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The capital balance are ₹50,000 for A, ₹70,000 for B, ₹35,000 for C. B decided to retire from the firm and balance in reserve on the date was ₹25,000. If goodwill of the firm was valued at ₹30,000 and profit on revaluation was ₹7,500 then, what amount will be payable to B?

- (a) ₹70,820 (b) ₹76,000 (c) ₹75,000 (d) ₹95,000

48. X, Y and Z were partners in a firm sharing profits in the ratio of 3 : 2 : 1. X retired and the new profit sharing ratio between Y and Z will be 5 : 4. On X's retirement the goodwill of the firm was valued at ₹54,000. Journal entry will be :

- (a) Y's Capital A/c Dr. 24,000 Z's Capital A/c Dr. 30,000 To X's Capital A/c 54,000
(b) Y's Capital A/c Dr. 15,000 Z's Capital A/c Dr. 12,000 To X's Capital A/c 27,000
(c) Y's Capital A/c Dr. 12,000 Z's Capital A/c Dr. 15,000 To X's Capital A/c 27,000
(d) X's Capital A/c Dr. 27,000 To Y's Capital A/c 12,000 To Z's Capital A/c 15,000

49. P, Q and R were partners sharing profits in the ratio of their Capital contribution which were ₹6,00,000; ₹4,00,000 and ₹5,00,000 respectively. Their books are closed on 31st March every year. P dies on 24th August, 2018. Under the partnership deed, deceased partner is entitled to his share of profit/loss to the date of death based on the average profits of preceding three years. Profits were 2015 ₹50,000; 2016 ₹1,20,000 (Loss); 2017 ₹30,000 and 2018 ₹60,000. P's share of profit/loss will be :

- (a) ₹3,200 (b) ₹6,400 (c) ₹12,000 (d) ₹4,800

50. B, P and L sharing profits in the ratio 4:3:2. B retires, P and L decided to share profits in future in the ratio of 5 : 3. Gaining ratio will be :

- (a) 11 : 21 (b) 21 : 11 (c) 11 : 13 (d) 13 : 11

51. In which condition a partnership firm is deemed to be dissolved?

- (a) On a partner's admission (b) On retirement of a partner
(c) On expiry of the period of partnership (d) On loss in partnership

52. On dissolution of a firm, realisation account is debited with

- (a) All assets to be realized (b) All outside liabilities of the firm
(c) Cash received on sale of assets (d) Any asset taken over by one of the partners

53. On dissolution of a firm, out of the proceeds received from the sale of assets will be paid first of all

- (a) Partner's Capital (b) Partner's Loan to Firm (c) Partner's additional capital (d) Outside Creditors

54. At the time of dissolution of firm, "Loan of partners" (Loans given by partners to the firm) is paid out of the amount realised on sale of assets :

- (A) After making the payment of loans given by third party
(B) After making the payment of balance of Capital Accounts of partners
(C) After making the payment of above (A) and (B)
(D) Before the payment of loans given by third party

55. On firm's dissolution, which one of the following account should be prepared at the last?

- (A) Realisation Account (B) Partner's Capital Accounts (C) Cash Account (D) Partner's Loan Account

56. On dissolution, if a partner undertakes to make payment of a liability of the firm is debited to

- (A) Profit & Loss Account (B) Realisation Account (C) Partner's Capital Account (D) Cash Account

57. Unrecorded liability, when paid on dissolution of a firm is debited to :

- (A) Partner's Capital A/cs (B) Realisation A/c (C) Liabilities A/c (D) Asset A/c

58. A partnership firm is compulsorily dissolved :

- (A) When the business of the firm is declared illegal (B) When a partner of the firm dies
(C) When a partner of the firm becomes insolvent
(D) When a partner transfers his share to some other person without the consent of other partners

59. At time of dissolution of partnership firm, the balance of profit and loss account shown in the assets side of Balance sheet of the firm is transferred to:

- (A) Realisation Account (B) Cash Account (C) Capital Accounts of partners (D) Loan Accounts of partners

60. On dissolution of a firm, a partner paid ₹700 for firm's realisation expenses. Which account will be debited?

- (A) Cash Account (B) Realisation Account (C) Capital Account of the Partner (D) Profit & Loss A/c

61. Star Ltd forfeited 1,000 shares of Rs.10 each (which were issued at par of Jeevan, a share holder of the company, for non payment of allotment money of Rs.4 per share. The called up value per share was Rs.7. On forfeiture, the amount debited to share capital:

- a) 3,000 b) Rs.7,000 c) Rs.4,000 d) Rs.10,000

62. Calculate the amount of second & final call when Ekta Ltd, issues Equity shares of ₹ 10 each at a premium of 40% payable on Application ₹ 3, On Allotment ₹ 5, On First Call ₹ 2.

- a) Second & final call ₹ 3. b) Second & final call ₹ 4. c) Second & final call ₹ 1. d) Second & final call ₹ 14.

63. Assertion: Call-in-advance account has a nil balance.

Reason: Calls-in-advance is credited in the entry when it is received and debited in the entry when is supposed to be received.

- a) Assertion is true but reason is false. b) Reason is true but Assertion is false.
c) Both the Assertion and Reason are true. d) Both the Assertion and Reason are false.

64. Arrange the following in proper sequence as types of "Share Capital"

- a) Paid up capital b) Issued capital c) Subscribed capital d) Authorised capital
(A) a, c, d, b (B) d, c, b, a (C) d, b, c, a (D) a, b, c, d

65. Once, forfeited shares reissued, balance of share forfeiture money will be transferred to:

- a) General Reserve b) Capital Reserve c) Reserve Capital d) Securities Premium Reserve

66. Assertion: X Ltd. forfeited 2,000 equity shares of ₹ 10 each on which it had received ₹ 10,000. The company can reissue these forfeited shares at ₹ 4 per share.

Reason: Forfeited shares cannot be issued at discount more than the amount received on these shares.

- a) Assertion and reason both are incorrect. b) Assertion and reason both are correct.
c) Assertion is correct but the reason is incorrect. d) Assertion is incorrect but the reason is correct.

67. Varun Ltd, issued a prospectus inviting applications for 2,000 shares. Applications were received for 3,000 shares and pro-rata allotment was made to the applicants of 2,400 shares. If Dhruv has been allotted 40 shares, how many shares he must have applied for?

- a) 40 b) 44 c) 48 d) 52

68. The Earth Ltd. invited applications for 35,000 shares of Rs. 10 each and received applications for 40,000 shares along with the application money Rs. 4 per share. Which of the following alternatives can be followed?

- 1) Refund of excess application money and full allotment to the rest of the applicants.
- 2) Not to allot any share to some applicants, Full allotment to some applicants and pro rata allotment to rest of the applicants.
- 3) Not to allot any shares to some applicants and pro rata allotment to rest of the applicants.
- 4) Make pro rata allotment to all the applicants

- a) Only (1) b) Both (1) and (3) c) Only (2) d) All of the above

69. X Ltd. invited applications for 20,000 shares of Rs. 10 each payable as under: Rs. 3 per share on application, Rs.3 per share on Allotment, Rs. 2 per share on First Call; and Rs. 2 per share on Final Call. Final Call was not made by the company. An applicant who had been allotted 100 shares failed to pay Allotment and First Call money due from him. His shares were forfeited after the First Call and 70 shares were re-issued at 8.50 per share. Give answers to the following questions on the basis of above information: What will be the Subscribed and fully paid up Capital?

- a) 2,00,000 b) 20,000 c) 1,60,000 d) none of these.

70. Black Ltd. had issued 5,000 equity shares of Rs. 10 each at par. The application money was Rs. 3 per share and the public applied for 7,500 shares. Pro rata allotment was made. Sohan applied for 450 shares. The amount carried forward towards the sum due on allotment will be:

- a) 1,350 b) 900 c) 450 (d) Rs. 4,500

71. If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹3 per share and only 7,000 of these shares were re-issued @ ₹11 per share as fully paid up, then what is the minimum amount that the company must collect at the time of re-issue of the remaining 3,000 shares?

- (A) Rs.21000 (B) Rs.9000 (C) Rs.16000 (D) Rs.30000

72. A company forfeited 3,000 shares of ₹10 each, on which only Rs.5 per share (including Rs.1 premium) has been paid. Out of these, few shares were reissued at a discount of ₹1 per share and ₹6,000 were transferred to Capital Reserve. How many shares were re-issued?

- (a) 3,000 shares (b) 1,000 shares (c) 2,000 shares (d) 1,500 shares

73. Rancho Ltd. took over assets worth ₹20,00,000 from PK Ltd. by paying 30% through bank draft and balance by issue of shares of ₹100 each at a premium of 10%. The entry to be passed by Rancho Ltd. for settlement will be 1

- (a) PK Ltd. Dr. 12,72,700 (b) PK Ltd. Dr. 20,00,000

To Share Capital A/c.	1,27,270
To Securities Premium A/c.	1,27,270
To Bank A/c.	6,00,000
To Statement of P&L.	30

(Being settlement of amount due to vendors)

To Share Capital A/c.	12,72,700
To Securities Premium A/c.	1,27,720
To Bank A/c.	6,00,030
(Being settlement of amount due to vendors)	

(C) Pk Ltd.	Dr. 20,00,000
To Share capital A/c.	12,72,720
To security premium. A/c.	1,27,720
To Bank A/c.	6,00,000

(d) Pk Ltd.	Dr. 20,00,000
To share capital A/c.	12,73,000
To security premium A/c.	1,27,300
To Bank A/c.	5,99,700

74. Debenture holders are

- (a) Debtors of the Company (b) Creditors of the Company (c) External users (d) Owners of the Company

75. Debentures that do not carry any charge or security on assets of the company are known as:

- (a) secured debentures (b) unsecured debentures (c) convertible debentures (d) registered debentures.

76. Which of the following will be debited by Rs. 22,00,000 for issue of debentures for the purchase of electrical appliances for Rose Bind Ltd.

- (a) 6% Debentures A/c (b) Rose Bond Ltd. (c) Godrej Ltd.

77. Debentures are shown in the Balance Sheet of a company under the head of

- (a) Non-current Liabilities (b) Current Liabilities (c) Share Capital (d) None of these

78. X Ltd. took over Building of ₹ 20,00,000 and Machinery of ₹ 5,00,000 and liabilities of ₹ 6,00,000 of Y Ltd. X Ltd. paid the purchase consideration by issuing 10,000 Debentures of ₹100 each at a premium of 10% and ₹11,00,000 by Bank Draft. Purchase Consideration will be:

- (a) ₹22,00,000 (b) ₹25,00,000 (c) ₹19,00,000 (d) ₹21,00,000

79. Debentures issued as collateral security will be debited to:

- (a) Bank Account (b) Debentures Suspense Account (c) Debentures Account (d) Bank Loan Account

80. X Ltd. Acquired assets of ₹20 lakhs and took over creditors of ₹20 thousand from Y Ltd. X Ltd. Issued 8% debentures of ₹200 each at a discount of 10% as purchase consideration. Number of debentures issued will be:

- (a) 11,000 (b) 9,000 (c) 10,000 (d) 10,100

81. When debentures are issued at par and are redeemable at a premium, the loss on such an issue is debited to _____.

- (a) Profit and loss A/c (b) Debenture application and allotment A/c
(c) Loss on the issue of debentures A/c (d) Premium on redemption A/c

82. When debentures are issued at a discount and are redeemable at a premium, which of the following accounts is debited at the time of issue?

- (a) Debentures A/c (b) Premium on redemption of debentures A/c (c) Loss on the issue of debentures A/c (d) Profit and loss A/c

83. On liquidation of a company, the principal amount of debentures is returned _____.

- (a) First of all (b) Last of all (c) Before equity capital (d) None of the above

84. Debentures are part of

- (a) Shareholders' funds (b) Borrowed Funds (c) Borrowings from Bank (d) None of these

85. When debentures of ₹1,00,000 are issued as Collateral Security against a loan of ₹1,50,000, the entry for issue of debentures will be :

- a) Credit Debentures ₹1,50,000 and debit bank A/c ₹1,50,000
b) Debit Debenture Suspense A/c ₹1,00,000 and Credit Bank A/c ₹1,00,000
c) Debit Debenture Suspense A/c ₹1,00,000 and Credit Debentures A/c ₹1,00,000.
d) Debit Cash A/c ₹1,50,000 and Credit Bank A/c ₹1,50,000.

86. Debenture holders are:

- a) Owners of the Company b) Debtors of the company c) Creditors of the Company d) Promoters of the Company

87. Interest on debentures is paid on

- (a) Nominal (face) value (b) Nominal (face) value plus premium received

(c) Nominal (face) value less discount allowed (d) Nominal (face) value less Premium Payable on Redemption

88. Which of the following statement is not true?

- (a) Interest on Debentures is not transferred to Statement of Profit & Loss
- (b) Interest on Debentures is paid whether profit is earned or loss is incurred by the company
- (c) There is restriction on use of premium on issue of debentures
- (d) Company can buy back its own debentures

89. Select the correct statement from the following options.

- (a) A debenture holder is entitled to receive dividend on his debentures from the company even if the company has incurred losses
- (b) A debenture holder is entitled to receive interest on his debentures from the company only if the company has made profits
- (c) A debenture holder is entitled to receive interest on his debentures from the company only after dividend has been paid by the company to its shareholders
- (d) A debenture holder is entitled to receive interest on his debentures from the company even if the company has incurred losses

90. X Ltd. acquired assets of ₹20 lakhs and took over creditors of ₹20 thousand from Y Ltd. X Ltd. issued 8% debentures of ₹200 each at a discount of 10% as purchase consideration. Number of debentures issued will be:

- a) 11,000
- b) 9,000
- c) 10,000
- d) 10,100

91. Following Journal entries are from the books of Raj Ltd.:

Bank A/c Dr. 96,000

To Debentures Application and Allotment A/c 96,000

Debentures Application and Allotment A/c Dr. 96,000

Loss on Issue of Debentures A/c Dr. 10,000

To 8% Debentures A/c 1,00,000

To Premium on Redemption of Debentures A/c 6,000

Based on the above Journal entries, identify the rate of discount on Debentures.

- (a) Discount of 4%
- (b) Discount of 6%
- (c) Premium of 8%
- (d) Discount of 10%

92. Srijan Ltd. issued ₹ 1,00,000, 10% Debentures at 5% discount redeemable at 5% premium after 10 years. Loss on issue of debentures is

- (a) ₹ 15,000
- (b) ₹ 10,000
- (c) ₹ 12,000
- (d) ₹ 20,000

93. X Ltd. purchased a building for ₹60,00,000 payable as 20% in Cash and balance by allotment of 8% debentures of ₹500 each at a premium of 20%. Number of debentures issued will be:

- a) 9,600
- b) 8,000
- c) 12,000
- d) 10,000

94. Shiv Ltd. purchased Land and Building from Ram Ltd. for ₹ 2,00,000. The consideration was paid by issue of 10% Debentures of ₹ 100 each at a discount of 20%. The debentures account is credited with

- (a) ₹ 2,60,000
- (b) ₹ 2,50,000
- (c) ₹ 2,40,000
- (d) ₹ 1,60,000

95. Sunrise Ltd purchased a building for ₹5,00,000 payable as 15% in cash and balance by allotment of 9% debentures of ₹100 each at a premium of 25%. Number of debentures issued will be:

- (a) 4,250
- (b) 4,000
- (c) 5,000
- (d) 3,400

96. If Vendors are issued debentures of ₹80,000 in consideration of net assets of ₹1,00,000, the balance of ₹20,000 will be credited to:

- (a) Statement of Profit and Loss
- (b) Goodwill Account
- (c) General Reserve Account
- (d) Capital Reserve Account

97. Eastern Ltd. issued ₹ 50,00,000, 10% Debentures at par and redeemable at the end of 5 years at 105%. 'Premium on Redemption of Debentures Account' will be

- (a) Debited with ₹ 2,50,000
- (b) Credited with ₹ 2,00,000
- (c) Credited with ₹ 2,50,000
- (d) Debited with ₹ 20,000

98. At the time of issue of debentures, Debentures Account is

- a) credited by the amount received
- b) credited by the issue price of the debentures
- c) credited by the nominal (face) value of the debentures
- d) None of the above

99. Ayush Ltd. issued 50,000, 8% Debentures of ₹ 100 each at par redeemable at a premium. Loss on issue of Debentures was written off ₹ 5,00,000 from Securities Premium Account and Statement of Profit & Loss each. At what rate, these debentures will be redeemed?

- (a) ₹ 105
- (b) ₹ 110
- (c) ₹ 115
- (d) ₹ 120

100. Hari Aggarbatti Ltd. issued 50,000, 8% Debentures of ₹ 100 each at a discount of 5% and redeemable at a premium. Loss on Issue of Debentures was written off ₹ 5,00,000 from Securities Premium and Statement of Profit & Loss. What is the premium payable per debenture on redemption?

- (a) ₹ 10
- (b) ₹ 15
- (c) ₹ 5
- (d) ₹ 20

101. Cash from operating activities will decrease due to _____.

- (a) Increase in Current Assets (b) Decrease in Current Liabilities (c) Neither of the two (d) Both (a) and (b)

102. While calculating operating profit, which will be added to net profit?

- (a) Interest Received (b) Profit on Sale of Asset (c) Increase in General Reserve (d) Refund of Tax

103. How will you treat payment of 'Interest of Debentures' while preparing a Cash Flow Statement?

- (a) Cash Flow from Operating Activities (b) Cash Flow from Investing Activities
(c) Cash Flow from Financing Activities (d) Cash Equivalents

104. Interest received by a finance company is classified under which kind of activity while preparing a Cash Flow Statement?

- (a) Cash Flow from Operating Activities (b) Investing Activities
(c) Financing Activities (d) Cash Equivalent

105. Which calculates cash flow from operating activities that is added to net profit?

- (a) Increase in Stock (b) Decrease in Stock (c) Increase in Debtors (d) Decrease in Creditors

106. Assertion (A): Depreciation is added back to net profit while calculating cash flows from operating activities

Reason (R): Depreciation is a noncash expense. It had reduced the net profit while there is no cash flow

- a) Both assertion and reason are true. Reason is a correct explanation of assertion.
b) Both assertion and reason are true but reason is not the correct explanation of assertion
c) Both assertion and reason are false d) Assertion is true but Reason is false

107. Cash from operating activities will decrease due to :

- (a) Increase in Current Assets (b) Decrease in Current Liabilities (c) Neither of the two (d) Both (a) and (b)

108. An example of Cash Flows from Financing Activity is :

- (a) Sale of goods (b) Sale of Investment (c) Cash receipts from issue of shares (d) Interest received

109. Statement -I: Rent paid 'will be classified under operating activity while preparing cash flow statement

Statement -II: Interest received in cash on loans and advances results in cash flow from financing activities

- (a) Both the statements are true (b) Both the statements are false
(c) Statement -I is true, statement-II is false (d) Statement-II is true statement-I is false

110. Cash Flow Statement is prepared from:

- (a) Balance Sheet (b) Profit & Loss Account (c) Additional Information (d) All of these

111. Following is included in Cash Flow from Operating Activities:

- (a) Royalties, Fees, Commission (b) Purchase of Debentures (c) Purchase of Machinery (d) issue of Shares

112. A company receives a dividend of 2 Lakhs on its investment in other company's shares in case of a Finance Company, it will be classified which kind of activity?

- A) Cash flow from Operating Activity B) Cash Flow from Investing Activity
C) Cash Flow from financing Activity (D) No Cash Flow

113. How will you classify loans given by Tata Finance Company?

- (A) Cash Flow from Operating Activities (B) Cash Flow from Investing Activity
C) Cash Flow from Financing Activities (D) No Cash Flow

114. How will you classify deposits by customers in Axis Bank?

- (A) Cash Flow from Operating Activities (B) Cash Flow from Investing Activities
(C) Cash Flow from Financing Activities (D) No Cash Flow

115. A Mutual Fund Company receives a dividend of ₹20 Lakhs on its investment in another company's shares. Where will it appear in a Cash Flow Statement?

- (A) Cash Flow from Operating Activities (B) Cash Flow from Investing Activities
(C) Cash Flow from Financing Activities (D) No Cash Flow

116. Dividend paid by a finance company is classified under which kind of activity while preparing cash flow statement?

- (A) Cash Flow from Operating Activities (B) Cash Flow from Investing Activities
(C) Cash Flow from Financing Activities (D) No Cash Flow

117. Dividend paid by a manufacturing while company is classified under which kind of activity while preparing cash flow statement?

(A) Cash Flow from Operating Activities

(B) Cash Flow from Investing Activities

(C) Cash Flow from Financing Activities

(D) No Cash Flow

118. Interest paid by an investment (finance) company will come under which kind of activity while preparing cash flow statement?

(A) Cash Flow from Operating Activities

(B) Cash Flow from Investing Activities

(C) Cash Flow from Financing Activities

(D) No Cash Flow

119. Which of the following is not an investing activity under cash flow statement?

(A) Purchase of marketable securities for ₹25,000 for cash.

(B) Sale of land for ₹2,80,000 for cash.

(C) Sale of 2,500 shares (held as investment) for 15 each.

(D) Purchase of equipment for 1,00,000 for cash.

120.. While preparing Cash Flow Statement, 'Commission and Royalty' received is shown under:

(A) Financing Activity

(B) Investing Activity

(C) Operating Activity

(D) Both (B) and (C)

121.. From the following information find out the inflow of Cash by sale of Office Equipment:

31st March, 2022. 31st March, 2021

Office Equipment.

₹2,00,000.

₹3,00,000

Additional Information:

Depreciation for the year 2021-22 was ₹40,000.

Office Equipment purchased during the year ₹30,000.

Part of office equipment sold at gain of Rs.12000

a) 100000

b) 102000

c) 90000

d) 112000

122.. Working Capital is the

(A) Cash and Bank Balance

(C) Difference between Current Assets and Current Liabilities

(B) Capital Borrowed from the Banks

(D) Difference between Current Assets and Non-Current Assets

123. Current Assets include only those assets which are expected to be realised within.....

(A) 3 months

(B) 6 months

(C) 1 year

(D) 2 years

124. Theof a business firm is measured by its ability to satisfy short term obligations as they become due.

(A) Activity

(B) Debt

(C) Liquidity

(D) Profitability

125.. Ideal Quick Ratio is

(A) 1:1

(B) 1.2

(C) 1:3

(D) 2:1

126. Quick Assets do not include

(A) Cash in Hand

(B) Marketable Securities

(C) Prepaid Expenses

(D) Trade Receivables

127. Current Assets do not include:

(A) Prepaid Expenses

(B) Inventory

(C) Goodwill

(D) Bills Receivable

128. . A Company's Current Ratio is 2.5: 1 and its Working Capital Rs.60,000 If its inventory is ₹52,000, what will be the Liquid Ratio?

(A) 23:1.

(B) 2.8 1.

(C) 1.3 1

(D) 1.2:1

129. The current ratio of a company is 1.8 :1 and its Quick Ratio is 1.6:1 From the following transactions, pick out the transaction which an increase in both the Current Ratio and Quick Ratio:

(A) Goods worth ₹10,000 sold at a loss of ₹2,000

(B) Insurance premium of ₹3,000 paid in advance.

(C) Plant and Machinery purchased for ₹9,000.

(D) Bills Payable of ₹2,000 honoured on the due date.

130.. Current Ratio of Super Ltd. is 2:1. Which of the following transaction will result in decrease in this ratio?

(A) Payment of ₹40,000 to creditors only

(B) Sale of furniture (book value ₹38,000) for 16,000

(C) Repayment of long term loan of ₹7,00,000

(D) Cash collected from debtors 1,18,000

131.. Debentures ₹80,000. Trade Payables ₹1.20.000. Trade Receivables ₹90,000 Prepaid Expenses ₹10,000, Inventory ₹2,00,000 and Goodwill is ₹60,000 Current Ratio will be:

(A) 1.5:1.

(B) 2.5: 1.

(C) 3:1

(D) 1.8: 1

132.. Current Ratio of Adaar Ltd. is 2.5: 1. Accountant wants to maintain at 2: 1. Following options are available:

(i) He can repay Bills Payable (ii) He can Purchase Goods on Credit (iii) He can take Short term Loan

Choose the correct option.

(A) Only (1) is correct (B) Only (ii) is correct (C) Only (1) and (iii) are correct (D) Only (ii) and (iii) are correct

133. Ratio that are calculated for measuring the efficiency of operations of business based on effective utilisation of resources are known as:

(A) Liquidity Ratios. (B) Turnover Ratios. (C) Solvency Ratios (D) Profitability Ratios

134.. Inventory Turnover Ratio is:

(A) Average Inventory/Revenue from Operations (B) Average Inventory/Cost of Revenue from Operations
(C) Cost of Revenue from Operations/Average Inventory (D) G.P/Average Inventory

135.. Opening Inventory Rs.1,00,000; Closing Inventory ₹1,50,000; Purchases rs.6,00,000; Carriage ₹25,000; Wages 2,00,000. Inventory Turnover Ratios will be:

(A) 6.6 Times (B) 7.4 Times (C) 7 Times (D) 6.2 Times

136..... is included in current assets while preparing balance sheet as per revised Schedule III but excluded from current assets while calculating Current Ratio.

(A) Debtors (B) Cash and Cash Equivalents (C) Loose tools and Stores and spares (D) Prepaid Expenses

137. Debt-Equity Ratio of Dhamaka Ltd is 3: 1. Which of the following will result in decrease in this ratio?

(A) Issue of Debentures for Cash of ₹2,00,000,
(B) Issue of Debentures of ₹3,00,000 to Vendors from whom Machinery was Purchased.
(C) Goods purchased on Credit of ₹1,00,000.
(D) Issue of Equity Shares of ₹2,00,000

138. Vibgyor Ltd. has current assets worth ₹3,50,000 and it needs to pay off its obligations worth ₹2,00,000. If the firm has to make a payment of a current liability worth ₹50,000, what will be the current ratio:

(A) 3:1 (B) 0.75 :1 (C) 1:1 (D) 2:1

139. Which of the following is not a Solvency Ratio?

(A) Interest Coverage Ratio (B) Return on Investment
(C) Debt to Capital Employed Ratio (D) Total Assets to Debt Ratio

140. Total Assets ₹3,00,000

Non-current Assets ₹2,60,000

Non-current Liabilities ₹80,000

Shareholders' Funds ₹2,00,000

Current ratio calculated on the basis of above information will be:

(A) 0.5: 1 (B) 2:1 (C) 1.5: 1 (D) 1:1

141.....will result in increase in Liquid Ratio without affecting the Current Ratio.

(A) Sale of stock at cost price (B) Sale of stock at loss (C) Sale of stock at profit (D) Sale of investment at cost

142. Main objective of Common Size Statement is

(A) To present the changes in various items (B) To provide for a common base for comparison
(C) To establish relationship between various items (D) All of the above

143. Main objective of Common Size Balance Sheet is

(A) To establish relationship between revenue from operations and other items of statement of profit & loss
(B) To present changes in assets and liabilities
(C) To present changes in various items of income and expenses
(D) All of the above

144.. Common Size Statements are prepared:

(A) In the form of Ratios (B) In the form of Percentages (C) In both of the above (D) None of the above

145. Which of the following is untrue:

(A) Common Size Balance Sheet (B) Common Size Statement of Profit & Loss

(C) Common Size Cash Flow Statement (D) None of the above

146. Main objective of Common Size Statement of Profit & Loss is:

- (A) To present changes in assets and liabilities (B) To judge the financial soundness
(C) To establish relationship between revenue from operations and other items of statement of Profit & Loss
(D) All of the above

147. In the Statement of Profit & Loss of a Common Size Statement:

- (A) Figures of net revenue from operations is assumed to be equal to 100
(B) Figure of gross profit is assumed to be equal to 100
(C) Figure of net profit is assumed to be equal to 100
(D) Figure of assets is assumed to be equal to 100

148. In the Balance Sheet of a Common Size Statement:

- (A) Figure of share capital is assumed to be 100 (B) Figure of current liabilities is assumed to be 100
(C) figure of non current asset is assumed to be 100 (D) figures of total assets is assumed to be 100

149. Assertion (A): Comparative Balance Sheet is the Horizontal Analysis of Balance Sheet.

Reason (R): Common-size Balance Sheet is the Vertical Analysis of Balance Sheet.

In the context of the above two statements, which of the following is correct?

Codes:

- (A) Both (A) and (R) are correct and (R) is the correct reason of (A).
(B) Both (A) and (R) are correct but (R) is not the correct reason of (A).
(C) Only (R) is correct. (D) Both (A) and (R) are wrong.

150.. Assertion (A): In a Common-size Statement, each item is expressed as a percentage of common base.

Reason (R): Common-size Statements are prepared both in the form of percentages and ratios.

In the context of the above two statements, which of the following is correct?

Codes:

- (A) Both (A) and (R) are correct and (R) is the correct reason of (A).
(B) Both (A) and (R) are correct but (R) is not the correct reason of (A).
(C) Only ® is correct (D) Both (A,) and ® are wrong

151. The balance sheet provided information about financial position of an enterprise:

- (A) Over a period of time. (B) During a period of time (C) For a period of time (D) At a point of time

152. Balance Sheet of a company is required to be prepared in the format given

- (A) Schedule III Part II. (B) Schedule III Part I (C) Schedule III Part III (D) Table A

153. As per Companies Act, the Balance Sheet of a company is required to be presented in

- (A) Horizontal Form (B) Vertical Forum (C) Either Horizontal or Vertical Form (D) Neither of the above

154. Which of the following is not required to be prepared under the Companies Acr?

- (A) Statement of Profit and Loss (B) Balance Sheet (C) Report of Director's and Auditor's (D) Funds Flow Statement

155. According to prescribed order of assets in a Company's Balance Sheet assets should be shown first of all.

- (A) Non-Current Assets. (B) Current Assets (C) Current Investments. (D) Loans and Advances

1 56. In a Company's Balance Sheet assets. appear under the head 'non-current asset '

- (A) Goodwill (B) Patents (C) Vehicles (D) All of the above

157. Calls in Arrears appear in a Company's Balance Sheet under

- (A) Reserve & Surplus (B) Shareholder's Funds (C) Contingent Liabilities (D) Short-term Borrowings

158. Calls in Advance appear in a Company's Balance Sheet under

- (A) Share Capital (B) Current Liability (C) Share Application money pending allotment (D) Reserve & Surplus

159. Short-term Borrowings appear in a Company's Balance Sheet under the head

- (A) Current Assets (B) Current Liabilities (C) Non-Current Liabilities (D) Non-Current Assets

160. Public Deposits appear in a Company's Balance Sheet under:

- (A) Intangible Assets (B) Current Liabilities (C) Long-term Provisions (D) Long-term Borrowings

161. Goodwill appears in a Company's Balance Sheet under the head

(A) Unamortized Assets (B) Current Assets (C) Non-Current Assets (D) Tangible Assets

162. 'Loose Tools' appear in the company's Balance Sheet under the head/sub-head:

(A) Inventory (B) Non-Current Assets (C) Other Current Assets (D) Stores and Spare Parts

163. Change in Inventories means

(A) Opening Inventories less Closing Inventory (B) Closing inventory less Opening inventory
(C) Opening inventory is equal to closing (D) None of the above

164. Which of the following is not sub-head under the Current Assets?

(A) Cash and Cash Equivalents (B) Trademarks (C) Short-term Loans & Advances (D) Inventories

165. Security Deposits are presented in the Balance Sheet of the company under

(A) Other Non-Current Assets the sub-head. (B) Long-term Loans and Advances
(C) Other Current Liabilities (D) Current Assets

166. Which of the following is not a part of Finance Cost (in statement of profit and loss)?

(A) Bank Charges (B) Interest Paid on Debentures
(C) Interest Paid on Public Deposits (D) Loss on Issue of Debentures

167. Operating Cycle is the time between the acquisition of assets for processing

(A) Current Assets. (B) Non-Current Assets. (C) Other Current Assets (D) Cash and Cash Equivalents

168. If the operating cycle of a company cannot be identified, it is assumed to be:

(A) 18 months (B) 12 months (C) 10 months (D) 15 months

169.. A company has an operating cycle of eight months. It has accounts receivables amounting to ₹1,00,000 out of which ₹60,000 have a maturity period of 11 months. How would this information be presented in the balance sheet?

(A) 40,000 as current assets and 60,000 as non-current assets. (B) ₹60,000 as current assets and ₹40,000 as non-current assets.

(C) 1,00,000 as non-current assets. (D) 1,00,000 as current assets.

170. Provision for Tax appears in a Company's Balance Sheet under the Sub-head

(A) Short-term Provisions. (B) Reserves & Surplus. (C) Long-term Provisions (D) Other Current Liabilities

171. Bills Receivables appear in a Company's Balance Sheet under the Sub-head

(A) Current Investments. (B) Cash Equivalents (C) Trade Receivables. (D) Short-term Loans and Advances

172. Trade Investments appear in a Company's Balance Sheet under the Sub-head

(A) Current Investments (B) Non-Current Investments (C) Intangible Assets (D) Short-term Loans and Advances

173.. 'Claims against the Company not acknowledged as debts' is shown under the head

(A) Current Liabilities (B) Non-Current Liabilities (C) Commitments (D) Contingent Liabilities

174. Unclaimed dividend appears in a Company's Balance Sheet under the sub-head

(A) Short-term Borrowings (B) Trade Payables (C) Other Current Liabilities (D) Short-term Provisions

175. Which analysis is considered as static

(A) Horizontal Analysis (B) Vertical Analysis (C) Internal Analysis (D) External Analysis

176. Which analysis is based only on one year's data

(A) Cash Flow Statement. (B) Dividend Analysis (C) Vertical Analysis (D) Horizontal Analysis

176. Main objective of analysis of financial statements is

(A) To know the financial strength (B) To make a comparative study with other firm
(C) To know the efficiency of management (D) All of the Above

177. Analysis of Financial Statements is significant

(A) For Managers (B) For Creditors (C) For Employees (D) For all of the above

178.. Financial analysis becomes significant because it

(A) Ignores price level changes (B) Measures the efficiency of business
(C) Lacks qualitative analysis (D) Is effected by personal bias

179. When bad position of the business is tried to be depicted as good, it is known as

(A) Personal Bias (B) Price Level Changes (C) Window Dressing (D) All of the Above

180. For whom the analysis of financial statements is not significant?

(A) Investor (B) Government (C) Ambassador of India (D) Company's Employee

181. Main limitation of analysis of financial statements is

- (A) Affected by window dressing (B) Difficulty in forecasting
 (C) Do not reflect changes in price level (D). All of the Above

182.. Which of the following is a limitation of financial analysis?

- (A) It is just a study of reports of the company. (B) It judges the ability of the firm to repay its debts.
 (C) It identifies the reasons for changes in financial position.
 (D) It ascertains the relative importance of different components of the financial position of the firm.

183.. Which of the following is not a limitation of analysis of financial statements?

- (A) Affected by personal bias (B) Inter firm comparative study possible
 (C) Lack of Qualitative Analysis (D) Ignores price level changes

184. Which of the following is not a limitation of Analysis of Financial Statements?

- (A) It is just a study of the reports of the company. (B) It does not consider price level changes.
 (C) It may be misleading without the knowledge of the changes in accom procedures followed by a firm.
 (D) It ascertains the relative importance of different components of the financial position of the firm

185.. Which of the following are not tools of Financial Analysis?

- (i) Cash Flow Statement (ii) Income Statement
 (iii) Balance Sheet (iv) Ratio Analysis

Choose the correct option

- (A) (1) and (ii) (B) (ii) and (iii) (C)(ii) and (iv) (D) (iii) and (iv)

186. Financial statement analysis includes.....and..... of financial. statements:

- (A) Analysis, preparation. (B) Preparation, interpretation (C) Preparation, analysis (D) Analysis, interpretation

187.. Which of the following is/are not the objectives of the Financial Statement of a company?

- (i) It provide information about the economic resources and obligations a business.
 (ii) To provide information about the aptitude of the human resources
 (iii) To provide information about the cash flow.
 (iv) To judge the efficiency/effectiveness of the management.
 (v) To provide information about the activities of the business affecting the society.

Choose the most appropriate answer from the options given below:

- (A) (ii) and (iii) only. (B) (ii) only. (C) (iv) only (D) (ii) and (v) only

188.. 'Freedom to Choose the method of depreciation' refers to which limitation of financial statement analysis:

- (A) Historical analysis. (B) Qualitative aspect ignored. (C) Not free from bias. (D) Ignore Price level Changes

189. Which of the following is the objective of Comparative Statement ?

- (A) To make the data simples and understandable (B) To indicate the trend
 (C). To help in forecasting (D) All of the above

190. Which of the following is device of Comparative Statements?

- (A) Comparison expressed in terms of absolute data (B) Comparison expressed in terms of percentages
 (C) Comparison expressed in terms of ratios (D) All of the above

191. Comparative Balance Sheet:

- (A) Provides a summarized view of the operations of the firm (B) Presents the financial position of the firm
 (C) Presents the change in various items of balance sheet (D) None of the above

192.. Comparative Statement of Profit & Loss provides information about:

- (A) Rate of increase or decrease in revenue from operations (C) Rate of increase or decrease in net profit
 (B) Rate of increase of decrease in cost of revenue from operations (D) All of the above

193.. Which analysis depicts the relationship between two figures:

- (A) Ratio Analysis (B) Trend Analysis (C) Cumulative Figures and Averages (D) Dividend Analysis

194. In which analysis Total cost are equal to Total revenue from operations:

- (A) Trend Analysis (B) Ratio Analysis (C) Break-even Point Analysis (D) Cash Flow Statement Analysis

195. Non-Current Assets of a company increased from ₹3,00,000 to ₹4,00,000. What is the percentage of change?

- (A) 25% (B) 33.3% (C) 20% (D) 40%

- 196. A Company's current liabilities decreased from ₹4,00,000 to ₹3,00,000. What is the percentage of change?**
 (A) (25%) (B) 33.3% (C) 20% (D) 25%
- 197. A company's working capital is 10 lakh (Negative balance) in the year 2024. It became 15 lakhs (Positive balance) in the year 2025. What is the percentage of change?**
 (A) 150% (B) 100% (C) 250% (D) 50%
- 198. Payment of Income Tax is considered as:**
 (A) Direct Expenses (B) Indirect Expenses (C) Operating Expenses (D) None of the Above
- 199. Interest on Loans is:**
 (A) Direct Expenses (B) Indirect Expenses (C) Operating Expenses (D) None of the Above
- 200. Revenue from Operations less Cost of Revenue from Operations is called:**
 (A) Net Profit (B) Operating Profit (C) Gross Profit (D) Total Profit
- 201. The most commonly used tool for financial analysis are:**
 (A) Comparative statement (B) Common size statement (C) Accounting ratio (D) All of above.

12TH CLASS ACCOUNTANCY MCQ ANSWER KEY

1	D	26	C	51	C	76	C	101	D	126	B	151	D	176	C
2	B	27	A	52	A	77	A	102	C	127	C	152	B	177	D
3	D	28	C	53	D	78	A	103	C	128	D	153	C	178	D
4	D	29	D	54	A	79	B	104	A	129	D	154	D	179	B
5	B	30	D	55	C	80	A	105	B	130	C	155	A	180	C
6	A	31	C	56	B	81	C	106	A	131	B	156	D	181	C
7	D	32	C	57	B	82	C	107	D	132	D	157	B	182	D
8	C	33	C	58	A	83	A	108	C	133	B	158	B	183	A
9	A	34	D	59	C	84	B	109	A	134	C	159	B	184	B
10	C	35	C	60	B	85	C	110	D	135	D	160	D	185	D
11	B	36	A	61	B	86	C	111	A	136	C	161	C	186	B
12	C	37	C	62	B	87	A	112	A	137	D	162	A	187	D
13	B	38	A	63	C	88	A	113	A	138	D	163	A	188	D
14	A	39	B	64	D	89	D	114	A	139	B	164	B	189	C
15	D	40	A	65	B	90	A	115	A	140	B	165	A	190	D
16	D	41	D	66	D	91	A	116	C	141	A	166	A	191	D
17	B	42	C	67	C	92	B	117	C	142	D	167	D	192	C
18	B	43	C	68	D	93	B	118	A	143	D	168	B	193	D
19	C	44	C	69	D	94	B	119	A	144	B	169	D	194	A
20	B	45	C	70	C	95	D	120	C	145	C	170	A	195	C
21	D	46	C	71	B	96	D	121	B	146	C	171	C	196	B
22	B	47	D	72	C	97	C	122	C	147	A	172	B	197	A
23	A	48	C	73	B	98	C	123	C	148	D	173	D	198	C
24	B	49	D	74	B	99	D	124	B	149	B	174	C	199	D
25	B	50	B	75	B	100	C	125	A	150	C	175	B	200	C