

Advanced accounting is the extended shape of.

- A. Cost accounting
- B. Managerial accounting
- C. Financial accounting
- D. Tax accounting

ANSWER: C

The Maximum amount of capital which a company is authorised to raise is called.

- A. Nominal capital
- B. Issued capital
- C. Subscribed capital
- D. Called up capital

ANSWER: A

The company offers to its shareholders the right to buy 2 shares at price Rs.140 each for every 4 shares of Rs. 100 each already held in the company. The market value of the share is Rs.200 each. What is the value per right.

- A. Rs.16
- B. Rs.20
- C. Rs.60
- D. Rs.100

ANSWER: B

The authorised capital of a company is 5000 ordinary shares of Rs.100 each.It has issued 2500 shares of Rs.100 each. The company declares 5% dividend. What is the amount of dividend.

- A. Rs.500000
- B. Rs.25000
- C. RS.12500
- D. RS.5000

ANSWER: C

In case of company final account, when closing stock is given in Trial Balance it will be processed on.

- A. Credit side of Trading account only.
- B. Asset and credit side of Trading account
- C. Appropriation account credit side only
- D. Asset side in Balance Sheet only.

ANSWER: D

A claim of Rs.2500 for workmen's compensation is being disputed by the company. It will be treated as.

- A. Liability
- B. Expense
- C. Liability and expense
- D. None of the above.

ANSWER: D

A manager is entitled a commission of 5% on net profit subject to minimum of Rs.10000 p.a. If the annual profit is Rs.150000, the amount of commission paid will be.

- A. Rs.75000
- B. Rs.10000
- C. Rs.15000
- D. Rs.150000

ANSWER: B

Two companies, X co., and Y co., go into liquidation and a new company; Z Ltd. is formed. It is a case of.

- A. Absorption
- B. External Reconstruction
- C. Amalgamation
- D. Internal Reconstruction

ANSWER: C

When the purchase consideration is more than the Net Worth of the liquidating company, the purchasing co. will debit the Account with excessive amount.

- A. Capital Reserve
- B. Goodwill
- C. Purchase Consideration
- D. Formation Expenses

ANSWER: B

A Ltd., takes over B Ltd., and agrees to allot its shares. The intrinsic value of A Ltd., and B Ltd., are Rs.150 and Rs.100 respectively. The basis of exchange on intrinsic value between A Ltd., and B Ltd., should be.

- A. One share of A Ltd., for one share of B Ltd.,
- B. Two shares of A Ltd.,for three shares of B Ltd.,
- C. Three shares of A Ltd., for two shares of B Ltd.,
- D. Two shares of A Ltd., for One share of B Ltd.,

ANSWER: B

When the Rebate on bill discounted is given in adjustment in case of Banking co. it is processed in.

- A. Profit and loss account only
- B. Balance Sheet only
- C. Profit and loss account and Balance Sheet
- D. None of the above

ANSWER: C

Interest on loan in case of Banking company is treated as.

- A. Income
- B. Expense
- C. Liability
- D. Asset

ANSWER: A

Interest on deposit in case of Banking co. is treated as.

- A. Expense
- B. Income

C. Contingent Liability

D. Asset

ANSWER: A

Commission, exchange etc. in case of Banking company is treated as.

A. Expense

B. Liability

C. Income

D. Asset

ANSWER: C

Contribution for provident fund given in adjustment is treated as.

A. Expense only

B. Income only

C. Expense and Liability

D. Income and Asset

ANSWER: C

Total capital of the company is sub-divided into small units and each unit is known as.

A. debenture

B. Right issue

C. Share

D. Bonus

ANSWER: C

When 4000 shares of Rs.10 each are issued at a discount of 10%, the amount of discount will be.

A. Rs.36000

B. Rs.40000

C. Rs.4000

D. Rs.4400

ANSWER: C

When a company issues bonus shares out of its reserve fund then it will debit the account named.

- A. Bonus account
- B. Reserve fund account
- C. Premium account
- D. Discount account

ANSWER: B

In case of company final account, the amount of unclaimed dividend given in trial balance will be treated as.

- A. Income
- B. Expense
- C. Asset
- D. Liability

ANSWER: D

In case of company, compensation paid to Ex-director will be treated as.

- A. Expense
- B. Income
- C. Asset
- D. Contingent liability

ANSWER: A

In company final accounts wages paid for adding rooms to premises will be.

- A. Asset
- B. Income
- C. Expense
- D. Liability

ANSWER: A

Machinery given in trial balance is Rs.50000 out of which machinery worth Rs.20000 was installed on 1st October and rate of depreciation is 10% p.a. What will be the amount of depreciation on December 31, at the completion of the year.

A. Rs.5000

B. Rs.4000

C. Rs.3500

D. Rs.3000

ANSWER: C

X co. goes into liquidation and an existing Z Ltd. purchases the business of X co. It is a case.

A. Absorption

B. Amalgamation

C. Reconstruction

D. Re-organization

ANSWER: A

When the purchase consideration is less than Net Worth of the liquidating company, the purchasing company will credit the account with differential amount.

A. Capital Reserve

B. Goodwill

C. Reconstruction Account

D. Realisation Account

ANSWER: A

In case of liquidation of the company, the Reserve and profit Balance is transferred to the account named.

A. Realisation account

B. Goodwill account

C. Shareholders account

D. Share capital account

ANSWER: C

When rebate on bill discounted in case of a Baking company is given in trial Balance, it is processed in.

A. Profit and loss account only

- B. Balance Sheet only
- C. Profit and loss account and Balance sheet
- D. None of the above

ANSWER: B

Interest on cash credit in case of Baking company is treated as.

- A. Income
- B. Expense
- C. Contingent Liability
- D. Liability

ANSWER: A

Interest on overdraft in case of baking company is a part of.

- A. Expense
- B. Income
- C. Asset
- D. Liability

ANSWER: B

Transfer fee given in trial Balance, in case of a banking company is treated as.

- A. Fictitious asset
- B. Income
- C. Liability
- D. Expense

ANSWER: B

Contribution for provident fund given in trial Balance in case of a banking company is treated as.

- A. Income
- B. Expense
- C. Liability
- D. Expense and liability both

ANSWER: B