

**Sample Paper Regular Dec 2020- 2021**

**Class: F.Y. BCOM SUB: FINANCIAL ACCOUNTING**

**Sem: I**

**Date:**

**Time:**

**Total Marks : 60 Marks** (Each questions of 1.5 marks)

**Instructions:**

- You have to attend 40 Questions out of 50 Questions.
- No timer/warning is provided.
- Submit your paper before end time.

**MULTIPLE CHOICE QUESTIONS**

- 1) Accounting policies
  - a. Are same for all concerns
  - b. Are laid down by law
  - c. Change from concern to concern
  - d. Are prescribed by AS 1
- 2) According to Accounting Standard 11 deals with - \_\_\_\_\_
  - a. Valuation of Inventories
  - b. Leases
  - c. Accounting for the effect of changes in Foreign Exchange Rates
  - d. Impairment of assets
  - e.
- 3) According to Accounting Standard 9 deals with - \_\_\_\_\_
  - a. Revenue Recognition
  - b. Segment reporting
  - c. Earnings Per Share
  - d. Depreciation
  - e.
- 4) Cash flow statement covered under AS \_\_\_\_\_
  - a. 2
  - b. 3
  - c. 4
  - d. 5
  - e.
- 5) Accounting for Investment covered AS \_\_\_\_\_
  - a. 10
  - b. 11

- c. 12
  - d. 13
  - e.
- 6) \_\_\_\_\_ means the amounts earned from customers for goods sold, services given, or for use of funds or assets.
- a. Revenue
  - b. Capital
  - c. Liability
  - d. Assets
7. \_\_\_\_\_ Method assumes that stock received first is issued first.
- a. LIFO
  - b. FIFO
  - c. Weighted Average
  - d. Average
8. In \_\_\_\_\_ method, stock is valued at current rate.
- a. LIFO
  - b. FIFO
  - c. Weighted Average
  - d. Average
9. \_\_\_\_\_ Method is applied when the lots of goods are not identifiable.
- a. LIFO
  - b. FIFO
  - c. Weighted Average
  - d. Average
10. Cost of goods sold is equal to \_\_\_\_\_
- a.  $\text{Opening Stock} + \text{Purchases} - \text{Direct Expenses} - \text{Closing Stock}$
  - b.  $\text{Opening Stock} + \text{Purchases} + \text{Direct Expenses} - \text{Closing Stock}$
  - c.  $\text{Opening Stock} + \text{Purchases} + \text{Direct Expenses} + \text{Closing Stock}$
  - d.  $\text{Opening Stock} - \text{Purchases} + \text{Direct Expenses} - \text{Closing Stock}$
11. When closing stock of current year is undervalued \_\_\_\_\_
- a. Current year's profit is overstated
  - b. Current year's profit is understated
  - c. There is no effect on current year's profits
  - d. The opening stock must also be overvalued to the same extent
12. When closing stock of current year is overvalued \_\_\_\_\_

- a. Current year's profit is overstated
- b. Previous year's profit is understated and current year's profit is overstated
- c. Previous year's profit is understated and current year's profit is also understated
- d. Previous year's profit is understated but current year's profit is unaffected

13 Carriage on purchases is \_\_\_\_\_

- a. Added to the cost of inventory
- b. Deducted from the cost of inventory
- c. Multiplied by the cost of inventory
- d. Divided from the cost of inventory

14 \_\_\_\_\_ Expenditure is recurring.

- a. Revenue
- b. Capital
- c. Deferred Revenue
- d. Deferred Capital

15 \_\_\_\_\_ Expenditure is non-recurring.

- a. Revenue
- b. Capital
- c. Deferred Revenue
- d. Deferred Capital

16 Wages paid for installation of machinery is a \_\_\_\_\_ expenditure.

- a. Revenue
- b. Capital
- c. Deferred Revenue
- d. Deferred Capital

17 Carriage on purchase of furniture is \_\_\_\_\_ expenditure.

- a. Revenue
- b. Capital
- c. Deferred Revenue
- d. Deferred Capital

18 Repairs of machinery is a \_\_\_\_\_ expenditure.

- a. Revenue
- b. Capital
- c. Deferred Revenue
- d. Deferred Capital

19. Took loan from SBI Rs. 5,00,000

- a. Capital Receipt
- b. Revenue Receipt
- c. Capital Expenditure
- d. Revenue Expenditure

20 Received on account of issue of debentures Rs. 4,00,000

- a. Capital Receipt
- b. Revenue Receipt
- c. Capital Expenditure
- d. Revenue Expenditure

21 Expenses incurred for obtaining a licence to start the factory Rs. 10,000

- a. Revenue Expenditure
- b. Capital Expenditure
- c. Deferred Revenue Expenditure
- d. Deferred Capital Expenditure

22 Recovery of bad debts during the year Rs. 3,500

- a. Capital Receipt
- b. Revenue Receipt
- c. Capital Expenditure
- d. Revenue Expenditure

23 Received interest on investment Rs. 2,500

- a. Capital Receipt
- b. Revenue Receipt
- c. Capital Expenditure
- d. Revenue Expenditure

24 Manufacturing A/c have normally ----- balance

- A credit balance
- B. debit balance
- C. Both debit and credit balance
- D. No balance

25 The balance of manufacturing A/ c is called as -----

- A. Gross profit
- B. Net profit
- C. Cost of production
- D. Gross loss

- 26 Debit balance of trading A/c indicate -----  
A. Gross loss  
B. Gross profit  
C. Net profit  
D. Net loss
- 27 Credit balance of trading a/c indicate -----  
A. Gross loss  
B. Gross profit  
C. Net profit  
D. Net loss
- 28 Debit balance of profit and loss A/c indicate -----  
A. Gross loss  
B. Gross profit  
C. Net profit  
D. Net loss
- 29 Credit balance of profit and loss A/c indicate -----  
A. Gross loss  
B. Gross profit  
C. Net profit  
D. Net loss
- 30 Depreciation on machinery is a part of ----- A/c  
A. Trading a/c  
B. Profit & loss a/c  
C. Manufacturing a/c  
D. Partners capital a/c
- 31 Depreciation on Furniture is a part of ----- A/c  
A. Trading a/c  
B. profit & loss a/c  
C. Manufacturing a/c  
D. Partners capital a/c
- 32 Sale of scrap is transferred to ----- a/c  
A. Trading a/c  
B. profit & loss a/c  
C. Manufacturing a/c  
D. Partners capital a/c
- 33 Outstanding salary given in trial balance is transferred to -----  
A. Liabilities  
B. Assets  
C. Trading a/c

- D. manufacturing a/c
34. Prepaid Insurance given in trial balance is transferred to -----  
A. Liabilities  
B. Assets  
C. Trading a/c  
D. manufacturing a/c
35. Trade mark is an -----  
A. Trading  
B. profit & loss  
C. Assets  
D. Liabilities
36. Salary and wages will appears in -----  
A. Trading a/c  
B. Profit & loss a/c  
C. Manufacturing a/c  
D. Partners capital a/c.
37. Wages and salary will appear in -----  
A. Trading a/c  
B. Profit & loss a/c  
C. Manufacturing a/c  
D. Partners capital a/c.
38. Value of asset in each department used as basis for allocation of  
A) Power  
B) Rent  
C) Deprecation  
D) Purchase
39. Rents and rates are apportioned to different departments on the basis of  
A) Floor area occupied  
B) Number of workers  
C) Sales of each department  
D) Value of assets kept
40. The turnover ratio is used in departmental accounts for allocation of  
A) Income tax  
B) Bad debts  
C) Depreciation  
D) Insurance
41. Lightning is allocated on the basis of \_\_\_\_ of each department  
A) Number of points  
B) Number of employees

- C) Floor area
- D) Wages

42. Which of the following is not debited to departmental Profit and loss and loss account?

- A) Carriage inward
- B) Salaries
- C) Rent and rates
- D) Electricity

43 \_\_\_\_\_ is the purchase payable if full payment is made immediately

- A. Market price
- B. Cash price
- C. Hire purchase price
- D. Down payment

44 The initial amount payable at the time of signing the hire purchase agreement is

- A. The cash price.
- B. The down payment.
- C. The Hire purchase price.
- D. The interest.

45 For each period interest is to be calculated on the balance of

- A. cash price remaining unpaid
- B. instalment price remaining unpaid
- C. cash price minus the instalment paid
- D. cash price + down payment

46 Under hire purchase agreement the buyer agrees to pay

- A. cash price only
- B. interest only
- C. cash price and interest.
- D. down payment only

47 For each period interest is to be calculated on the balance of

- A. cash price remaining unpaid
- B. instalment price remaining unpaid
- C. cash price minus the instalment paid
- D. cash price + down payment

48. Hire purchase price means the total amount payable by the hirer, made up of

- A. the cash price of the article and interest.
- B. the cash price of the article less interest.
- C. the cash price of the article and the down payment.
- D. the instalment and the interest.

49. As soon as \_\_\_\_\_ payment is made the hirer gets possession of the article and can

start using it immediately.

- A. Down.
- B. Full
- C. Cash.
- D. Last.

50. Interest in a hire purchase transaction is charged on the cash price.

- A. Outstanding.
- B. Full cash price.
- C. Down payment
- D. Hire purchase price.