



**Pune Vidyarthi Griha's
College of Science & Technology**

(Affiliated to University of Mumbai)

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BACHELORS OF MANAGEMENT STUDIES

SYBMS SEMESTER III –FINANCIAL ACCOUNTING

SAMPLE QUESTION PAPER

Q No	Question	Answer 1	Answer 2	Answer 3	Answer 4
1	Indian Partnership Act was enacted in which year?	2008	1956	1932	2013
2	Mutual agreement between the partners of a firm is called	Partnership deed	Agreement of Partners	Statement of consent	Partnership Act, 1932
3	In preparing Partnership final accounts for admission of a partner	Time	Sales	Sacrifice	Gain
4	The minimum number of persons required to make a Partnership	2	20	1	10
5	The relationship between persons who have agreed to share profits	Partnership firm	joint venture	association of persons	body of individuals
6	Income received in advance is shown on _____ side of balance sheet	Asset	liability	debit	credit
7	Interest on capital will be paid to the partners if provided for in _____	Current profits	reserves	accumulated profits	goodwill
8	Income accrued is shown on _____ side of balance sheet	Debit	asset	credit	liabilities
9	Interest on partner's capital is debited to –	Trading	capital A/c	current A/c	P & L app A/c
10	The amount withdrawn by a partner for personal use is called a _____	Capital	drawings	P&L	Trading A/c
11	The amount invested in business is-	Capital	drawings	Profit	loss
12	Drawings is _____ to the account of a partner.	Debited	credited	not considered	not added
13	Rent payable is shown in Balance sheet -----	on asset side	on liability side	on Trading A/c	on P & L A/c
14	Profit on Sale of asset is -----	Credited to P & L	Debited P & L A/c	Debited to Trading A/c	Credited to Trading A/c
15	In piecemeal distribution, amounts payable to creditors are settled in the following order –	Preferential unsecured	Bank Overdraft, Bank Loans	Secured Creditors, Preferential	Preferential Creditors, Bank Overdraft, Bank Loans, Unsecured Creditors
16	A Bank Loan of ₹ 1,00,000 taken by a firm is partly secured by ₹ 40,000 will be treated as _____	₹ 40,000 will be treated as preferential	₹ 50,000 will be treated as secured	₹ 40,000 will be treated as preferential	₹ 50,000 will be treated as preferential creditors
17	Unsecured Creditors are paid in the following order –	Due to Employee	Due to Government, Debenture Holders	All creditors pro-rata (proportionately)	Other Creditors, Due to Employees, Due to Government
18	If cash is insufficient to pay off all partners' loans, payment is made _____	in the ratio of outstanding	in the profit sharing ratio	in the ratio of capitals	equally
19	In Piecemeal Distribution of Cash Partner's Wife's Loan is _____	Internal	External	Long Term	Short Term
20	In Piecemeal Distribution of Cash General Reserve is _____	Multiplied	Divided	Added	Subtracted
21	In Piecemeal Distribution of Cash, P& L A/c balance given on _____	Multiplied	Added	Divided	Subtracted
22	In Piecemeal Distribution of Cash, P& L A/c balance given on _____	Multiplied	Added	Divided	Subtracted
23	Amalgamation is _____	Merger of business	Dissolution of firms	Admission of firm	Retirement of firm
24	Purchase consideration _____	Payable by new firm	Payable by old firms to new firm	Payable by one firm to another	Credit amount payable
25	Assets are transferred to Realisation A/c at _____	Market value	book value	cost value	profit
26	Excess of credit over debit side of Realisation Account is _____	loss on realization	profit on realization	surplus	deficit
27	Realisation expenses are _____	debited to bank a/c	debited to capital a/c	debited to realization a/c	debited to partners loan a/c
28	Liabilities assumed by partners are _____	Debited to Realisation A/c	Debited to Revaluation A/c	Debited to Partners' Capital A/c	credited to realisation a/c
29	Take over of asset by a partner is debited to _____	Realisation Account	partners capital a/c	cash / bank a/c	loan a/c

30	Excess of Net Assets over Purchase Consideration is	capital reserve	goodwill	capital	drawing	
31	On amalgamation partner's loan A/c is transferred to	Realisation a/c	partners capital a/c	loan a/c	Purchasing company a/c	
32	On amalgamation liability not taken over by the new firm is tra	Partner capital a/c	realisation a/c	revaluation a/c	New firm a/c	
33	On amalgamation Goodwill of the firm is	Valued	ignored	Considered by purchase cons	No effect	
34	On amalgamation dissolution expenses of the Vendor firm paid	Goodwill A/c	vendor firm	All partner capital a/c	cash/ bank a/c	
35	On amalgamation General reserve distributed among the	Old partners in o	Old partners in new rat	New partners in old ratio	New partners in new ratio	
36	On amalgamation of firms, P & L A/c debit balance	Debited to Realis	Debited to Partners Ca	Credited to Partners Capital A	Credited to Realisation A/c	
37	In conversion, if no instructions are given shares and debentures	Specific ratio	Equitable	Legal	Accrual	
38	The Balance sheet of the firm as on the date of take over is	Starting	Ending	Middle	Continuous	
39	Shares or debenture received from company on sale of firm are	Partner's capital	Sale ratio	sacrifice ratio	Gain ratio	
40	Dissolution expenses paid by the company to the firm on conve	Credit to capital	Debited to goodwill's a	Debited to deferred revenue e	Credited to deferred revenue expenditure account	
41	In Equitable approach equity share are divided in	Profit sharing rat	Gain ratio	Sacrifice ratio	Sales ratio	
42	In Conversion of firm, on sale of firm to a company the purchas	Net payment met	Profitability method	Index method	Capital method	
43	In conversion, if purchase consideration is more than the net ass	Debited to securi	Debited to goodwill A/	Credited to capital reserve	Credited to deferred revenue	
44	In case of conversion profit or loss on the sale of firm is ascerta	Profit and loss A/	Realisation A/c	Profit & Loss adjustment	Profit & Loss appropriation	
45	On Conversion of firm into limited company, fictitious asset are	Partner's capital	Realisation A/c	Purchasing firm A/c	Profit and loss adjustment	
46	A partnership firm is _____ on conversion into a Ltd. Company	Dissolved	Expanded	Not Dissolved	Not expanded	
47	In conversion of firm to Ltd Co. purchase consideration is paid	Proprietor	Limited Co.	Trading firm	Manufacturing firm	
48	Shares or debentures received from company on sale of firm are	In specific ratio a	Equitably	In ratio of capitals	Specific Ratio agreed by all partners or equitably or capital ratio	
49	M/s X and Y purchase consideration is Rs.40,000 and the Net A	Goodwill Rs.10,0	Capital Reserve Rs.10,	Goodwill Rs.20,000	Capital Reserve Rs.25,000	
50	The balance of capital account is constant under	Fixed	fluctuating	new method	old method	