

# DE-7/2021/107

Question Booklet  
Alpha Code

A

Question Booklet  
Serial Number

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Name:	Reg.No.	Signature:
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## DEPARTMENTAL TESTS — JULY, 2021

Total Number of Questions : 100

[Time : 1½ hours

(Maximum Marks : 100)

### INSTRUCTIONS TO CANDIDATES

1. The question paper will be given in the form of a Question Booklet. There will be four versions of question booklets with question booklet alpha code viz. A, B, C & D.
2. The Question Booklet Alpha Code will be printed on the top left margin of the facing sheet of the question booklet.
3. The Question Booklet Alpha Code allotted to you will be noted in your seating position in the Examination Hall.
4. If you get a question booklet where the alpha code does not match to the allotted alpha code in the seating position, please draw the attention of the Invigilator IMMEDIATELY.
5. The Question Booklet Serial Number is printed on the top right margin of the facing sheet. If your question booklet is un-numbered, please get it replaced by new question booklet with same alpha code.
6. The Question Booklet will be sealed at the middle of the right margin. Candidate should not open the question booklet, until the indication is given to start answering.
7. Immediately after the commencement of the examination, the candidate should check that the question booklet supplied contains all the 100 questions in serial order. The question booklet does not have unprinted or torn or missing pages and if so the fact should be brought to the notice of the Invigilator and get it replaced by a complete booklet with same alpha code. This is most important.
8. A blank sheet of paper is attached to the question booklet. This may be used for rough work.
9. **Please read carefully all the instructions on the reverse of the Answer Sheet before marking your answers.**
10. Each question is provided with four choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and darken the bubble corresponding to the question number using Blue or Black Ball-Point Pen in the OMR Answer Sheet.
11. **Each correct answer carries 1 mark and for each wrong answer 1/3 mark will be deducted. No negative marks for unattended questions.**
12. No candidate will be allowed to leave the examination hall till the end of the session and without handing over the Answer Sheet to the Invigilator. Candidates should ensure that the Invigilator has verified all the entries in the Register Number Coding Sheet and that the Invigilator has affixed his/her signature in the space provided.
13. Strict compliance of instructions is essential. Any malpractice or attempt to commit any kind of malpractice in the Examination will result in the disqualification of the candidate.
14. **If any candidates make a marking of answer in the question paper and exchange with other candidate during the course of the examination, the answer script will be invalidated and the candidates will be debarred for a minimum period of 2 years from appearing the Departmental Tests.**

# DE-7/2021/107

Maximum : 100 marks

Time : 1½ hours

1. \_\_\_\_\_ refer to the general agreement on the usage and practices in social or economic life.
  - (A) Accounting assumptions
  - (B) Accounting principle
  - (C) Accounting conventions
  - (D) Accounting policies
  
2. If going concern concept is no longer valid, select the true statement out of the following?
  - (A) land held as an investment would be valued at its realisable value
  - (B) The allowance for uncollectible accounts would be eliminated
  - (C) All prepaid assets would be completely written off immediately
  - (D) Intangible assets would continue to be carried at net amortized historical cost
  
3. Recording of capital contributed by the owner as liability ensures adherence of principle of
  - (A) Going concern
  - (B) Matching
  - (C) Dual entry
  - (D) Separate entity of business
  
4. \_\_\_\_\_ of the following is not a fundamental accounting assumption?
  - (A) Going concern
  - (B) Conservatism
  - (C) Accrual
  - (D) Consistency
  
5. Generally we ignore paise and show the round figures in financial statements. This is in line with
  - (A) Consistency concept
  - (B) Realisation concept
  - (C) Conservatism concept
  - (D) Materiality concept
  
6. Inventory is valued either at cost or market price whichever is lower, according to the principle of
  - (A) Conservatism
  - (B) Matching
  - (C) Accrual
  - (D) None of these

7. Unpaid expenses are  
 (A) Unaccrued expenses (B) Outstanding liabilities  
 (C) Prepaid expenses (D) All of these
8. Unrealised gains in respect of stock cannot be used for distribution of dividend. \_\_\_\_\_  
 Accounting principle is involved in this statement.  
 (A) Consistency (B) Materiality  
 (C) Cost (D) Realisation
9. On 2020 March 31, after sale of goods worth Rs. 5000, Shopkeeper is left with the closing stock of Rs.15,000. This is  
 (A) An event  
 (B) A transaction  
 (C) Both transaction as well as an event  
 (D) Neither a transaction nor an event
10. Consider the following statements and state which statement is correct  
 (A) Book keeping is a larger concept than accounting  
 (B) A Book-Keeper requires more knowledge and understanding than an accountant  
 (C) Accounting relates to the designing of whole system of recording, classifying and analysing transactions  
 (D) Work of Accountant is more clerical in nature than a Book-Keeper
11. Income from sale is recorded when actually received, according to the accounting concept of  
 (A) Cost  
 (B) Materiality  
 (C) Conservatism  
 (D) Cash System
12. Which of the following errors are not revealed by the trial balance?  
 (A) Wrong amount entered in the book of original entry  
 (B) Wrong amount entered in the sales book  
 (C) Complete omission of a transaction in the book of original entry  
 (D) All of the above
13. Where a machine produces products of uniform size, the method of depreciation to be applied  
 (A) Machine Hour method  
 (B) Annuity method  
 (C) Production units  
 (D) Sinking fund method

14. Bad Debts recovered is an example of
- (A) Increase in Asset and Owner's Liability
  - (B) Decrease in Asset and Owner's Liability
  - (C) Increase in Liability and Decrease in Owner's Liability
  - (D) Decrease in Liability and Increase in Owners Liability
15. The credit balance as per pass book of Shenoy enterprises was Rs.65,000. Cheques issued but not paid Rs.75,800. Cheques deposited by one of the customers of bank but wrongly credited in Shenoy enterprises account Rs.20,600. The balance as per cash book is
- (A) Rs.31,400 Debit
  - (B) Rs.31,400 Overdraft
  - (C) Rs.1,20,000
  - (D) Rs. 10,400 Overdraft
16. Cost of stock as per books is Rs.2,38,000. Goods purchases for Rs.10,000 received but omitted to be recorded. Goods costing Rs.20,000 were sold & delivered but omitted to be recorded. Goods costing Rs.5,000 were returned by customers but omitted to be recorded. Goods costing Rs.3,000 were returned to suppliers but omitted to be recorded. The value of physical inventory is
- (A) Rs.2,30,000
  - (B) Rs.2,26,000
  - (C) Rs.2,46,000
  - (D) None of these
17. Financial accounting information is characterized by all of the following except
- (A) It results from appropriate measures
  - (B) It is historical in nature
  - (C) It is enhanced by management's explanation
  - (D) It is factual, so it does not require judgement to prepare
18. In a three column cash book the discount columns area
- (A) Totalled but not adjusted
  - (B) Totalled but not balanced
  - (C) Totalled and adjusted
  - (D) None of the above
19. While preparing a Bank Reconciliation Statement taking the balance as per Cash Book as the starting point. Bank charges and interest charges are
- (A) Added
  - (B) Not required to be adjusted
  - (C) Subtracted
  - (D) None of the above

20. Which of the following is not disclosed or recognized in the financial statements?  
(A) Contingent Liability (B) Contingent Asset  
(C) Provision (D) None of the above
21. Which Accounts are used to prepare Bank Reconciliation Statement?  
(A) Cash column and Bank statement  
(B) Cash column and Bank Balance  
(C) Bank column and Bank Statement  
(D) None of the above
22. The balance on the debit side of the bank. Column of cash book indicates  
(A) The total amount has drawn  
(B) The total amount overdraft in bank  
(C) Cash at bank  
(D) None of the above
23. Fixed assets are held by business for  
(A) Resale (B) Converting into cash  
(C) Generating revenue (D) None of the above
24. Amount spent to increasing the earning capacity is a \_\_\_\_\_ expenditure  
(A) Capital (B) Revenue  
(C) Deferred revenue (D) Capital Loss
25. At the time of drawing a bill, the drawer credits  
(A) Bills Receivable A/c (B) Bills Payable Account  
(C) Creditors A/c (D) Debtors A/c
26. A Bill of Exchange, before its acceptance is called a  
(A) Draft (B) Bills Receivable  
(C) Bills Payable (D) None of these
27. If depreciation is charged at a fixed rate, then depreciation in SLM method, when compared to WDV is  
(A) More in the first year and Less in subsequent years  
(B) Equal in the first year and Less in subsequent years  
(C) Equal in the first year and More in subsequent years  
(D) Less in the first year and More in subsequent years

28. Which of the following statements is/are false?
- I. The term 'depreciation', 'depletion' and amortization' convey the same meaning.
  - II. Provision for depreciation A/c is debited when provision for depreciation A/c is created.
  - III. The main purpose of charging the profit and loss A/c with the amount of depreciation is to spread the an asset over its useful life for the purpose of income determination.
- (A) Only I above (B) Only II above  
(C) Only III above (D) All I, II & III above

29. Wages paid Rs. 2,00,000 for Installation of new machinery wrongly debited to wages A/c instead of machinery A/c. It is an error of
- (A) Omission (B) Commission  
(C) Principle (D) Clerical errors

30. As on 31.03.2020, the details of three materials X, Y & Z are as follows:

Item	Cost (Rs.)	Net Realisable Value (Rs.)
Material X	28,400	23,200
Material Y	24,400	26,600
Material Z	16,600	13,900

The value stock recorded in the Balance Sheet will be

- (A) Rs.69,400 (B) Rs.63,700  
(C) Rs.71,600 (D) Rs.61,500
31. The nature of Consignment A/c and Consignee's A/c will be
- (A) Nominal, Personal (B) Real, Nominal  
(C) Personal, Real (D) Nominal, Real
32. Wages paid Rs.50,000 is shown on credit side of Trial Balance. The Debit side of Trial Balance will be
- (A) Short by Rs.50,000 (B) Excess by Rs.50,000  
(C) Short by Rs.1,00,000 (D) Excess by Rs.1,00,000
33. Credit balance of bank pass book will be
- (A) An asset (B) A liability  
(C) A provision (D) None of these

34. The balances of M/s Surya Traders are as follows: Capital Rs. 10,00,000; Computers Rs. 1,30,000; Machinery Rs.4,50,000; Furniture Rs.1,50,000; Investments Rs.4,00,000; Salaries Rs.2,10,000; Sales Rs.16,00,000; Patents Rs.1,20,000; Freight Rs.1,21,000; Purchases Rs.9,15,000; Rent Rs.28,000; Cash in hand Rs.48,000; Bank overdraft Rs.20,000; Creditors Rs.1,00,000; Debtors Rs. 1,48,000; the total of trial balance is
- (A) Rs.27,40,000 (B) Rs.25,99,000  
(C) Rs.27,20,000 (D) Rs.26,12,000
35. Arun's acceptance to Pradip of Rs.24,000 is retired two months before the due date at discount of 10% p.a. In the books of Pradip the journal entry will be
- (A) Cash A/c Dr. 21,600  
Discount A/c Dr. 2,400  
To B/R A/c 24,000
- (B) Arun's A/c Dr. 10,800  
Discount A/c Dr. 1,200  
To B/R A/c 12,000
- (C) Cash A/c Dr. 23,600  
Discount A/c Dr. 400  
To B/R A/c 24,000
- (D) Arun's A/c Dr. 23,600  
Discount A/c Dr. 400  
To B/R A/c 24,000
36. A bill drawn and accepted for mutual help is known as \_\_\_\_\_ bill
- (A) Accommodation (B) Trade  
(C) Ordinary (D) Retired
37. Capital- Rs. 2,00,000 Interest paid- Rs. 23500 Debtors- Rs. 52,000 Discount allowed Rs. 8,200 Creditors-Rs.20,600 Discount received-Rs. 10,300 Purchases Rs.1,12,000 Rent -Rs. 44,600 Sales- Rs. 2,32,900 Loan - Rs. 20,600 Opening stock Rs. 1,56,000 Sales returns Rs. 28,500. Debit total of trial balance will be
- (A) Rs. 3,96,300 (B) Rs. 4,24,800  
(C) Rs.4,16,600 (D) None of these
38. Bank Reconciliation Statement is a part of
- (A) Financial Statements (B) Bank Book  
(C) Cash Book (D) None of these
39. Bill is Discounted Rs. 15,000. Where is it shown at the time of preparation of balance sheet?
- (A) Liability side of balance sheet (B) Foot note to Balance sheet  
(C) Debit side of profit and loss Account (D) Assets side of balance sheet

40. What is the meaning of the following entry recorded in the machinery Account?

Dr.		Machinery Account		Cr.	
Date	Particulars	Amount	Date	Particulars	Amount
			31.01.2021	By P&L Account	50,000

- (A) Portion of sale of machinery transferred to Profit & Loss Account  
 (B) Machinery of Rs.50,000 sold  
 (C) Machinery of Rs.50,000 purchased  
 (D) Loss on sale of machinery transferred to Profit & Loss Account
41. Anil sold goods for Rs.8,000 on 1-04-21 on a credit of 3 months to Swathy. Out of that 40% only could be received from her estate as she became insolvent. What is the amount of bad debt?  
 (A) Rs.6,000 (B) Rs. 4,800  
 (C) Rs.5,600 (D) Rs.5,000
42. Average profit = Rs.37,200 Normal rate of return = 12% Total assets = Rs.6,80,000 Outside liabilities = Rs.4,20,000. Calculate the value of goodwill under capitalisation method.  
 (A) Rs.80,000 (B) Rs.60,000  
 (C) Rs.2,60,000 (D) Rs.50,000
43. Decrease in the provision for doubtful debts amounts to  
 (A) Increase in Net profit (B) Decrease in Net Profit  
 (C) Increase in Fixed Assets (D) Decrease in Fixed Assets
44. Balu carrying on real estate business sold a piece of land for Rs.25,00,00,000 (cost Rs.20,50,00,000) then the type of receipt is \_\_\_\_\_ nature and profit on sale is  
 (A) Capital and transferred to capital reserve  
 (B) Revenue and transferred to P & L a/c  
 (C) Capital and transferred to P & L a/c  
 (D) Revenue and transferred to general reserve
45. Calculate the profit for the year ended 31-03- 2020.

Particulars	31-03-2019	31-03-2020
Capital	2,50,000	?
Unsecured loan	40,000	30,000
Sundry creditors	15,000	13,000
Fixed Assets	1,80,000	2,10,000
Debtors	18,000	12,000
Stock	55,000	26,000
Cash & Bank	52,000	18,000

- (A) Rs.8,000 Profit (B) Rs.27,000 Loss  
 (C) Rs.22,000 Profit (D) Rs.21,000 Profit

46. A firm has reported a profit of Rs.1,47,000 for the year ended 31-3-2017 after taking into consideration an anticipated profit of Rs.12,000 on the sale of an old furniture and not taking into consideration salary of Rs.7,000 outstanding for the year. What shall be the correct profit as per Conservatism Principle?
- (A) Rs 1,40,000 (B) Rs 1,35,000  
(C) Rs 1,54,000 (D) Rs 1,28,000
47. A bill receivable of Rs.50,000 is received from a customer in full settlement of Rs.59,000. On dishonor of this bill, the entry will be passed in
- (A) Purchases book  
(B) Bills receivable book  
(C) Journal proper  
(D) None of the above
48. On 29-03-2021 four cheques of Rs.25,000, Rs. 10,000, Rs.51,000, and Rs.33,000 were deposited in bank, out of which cheque of Rs.33,000 only was collected upto 31<sup>st</sup> March. Two cheques of Rs.25,000 and Rs.51,000 were collected on 4<sup>th</sup> April. An other cheque of Rs. 10,000 was not signed properly and was returned. What are the items to be taken in the Bank Reconciliation statement?
- (A) Rs.25,000, Rs.10,000, Rs.51,000  
(B) Rs.2,58,000, Rs.10,000, Rs.51,000, Rs.33,000  
(C) Rs.25,000, Rs.51,000  
(D) Rs.10,000
49. In Joint Venture the minimum number of co-ventureres
- (A) 7 (B) 4  
(C) 2 (D) 5
50. Goods costing Rs.2,00,000 were stolen. Insurance company accepted a claim of Rs.17,000. The appropriate journal entry is
- (A) Loss by theft a/c Dr. 2,00,000  
To Sales a/c 2,00,000  
(B) Outstanding insurance claim Dr. 1,70,000  
Profit & Loss a/c Dr. 30,000  
To Purchases a/c 2,00,000  
(C) Loss by theft a/c Dr. 1,70,000  
To Purchases a/c 1,70,000  
(D) Profit and Loss a/c Dr. 30,000  
To Purchases a/c 30,000

51. Syam sold goods to Ravi at an invoice price of Rs. 5,00,000 at cost plus 25%. 1/4<sup>th</sup> of the goods are lost in transit. Insurance claim of Rs. 82,000 is received. What is the amount of abnormal loss to be debited to P & L a/c?
- (A) Rs.1,00,000 (B) Rs.18,000  
(C) Rs.43,000 (D) Rs.1,25,000
52. Which is not the procedural aspect of accounting?
- (A) Generating financial information (B) Classification  
(C) Using financial information (D) None of the above
53. Consistency with reference to application of accounting procedures means
- (A) Uniform Accounting methods and procedures shall be followed year after year  
(B) All entities in the same Industry should use identical accounting procedures  
(C) Income and assets have not been overstated  
(D) Any accounting method can be followed as per convenience
54. If nothing is given in the financial statements about the three accounting assumptions, then it is to be treated as
- (A) Is assumed that it is not followed  
(B) Is assumed to be followed to some extent  
(C) Is assumed to be followed  
(D) None of the above
55. The overdraft balance as per the cashbook of Syam is Rs.26,400. An amount of Rs. 10,400 was deposited by a customer direct into the account of Syam. A cheque of Rs.4,000 deposited by Syam was bounced. Syam is unaware of these two transactions. The balance as per passbook will be
- (A) Rs.20,000 (Deposit) (B) Rs.20,000 (O.D)  
(C) Rs.12,000 (O.D) (D) Rs.32,800 (O.D)
56. Net realizable value is
- (A) Estimated selling price  
(B) Estimated cost price plus marketing cost  
(C) Estimated selling price less cost incurred in order to make sale  
(D) Estimated selling price plus cost incurred in order to make sale
57. If the goods sent on approval, two vehicles of Rs.55,000 each, are recorded as Rs.75,000 each, then the cost of goods lying with customers
- (A) Rs.1,10,000 (B) Rs.55,000  
(C) Rs.75,000 (D) Rs.1,50,000

58. The opening stock is overstated by Rs. 10,000 and closing stock is understated by Rs.15,000. The impact on the net profit of the current year is
- (A) Rs.5,000 overstated (B) Rs.25,000 overstated  
(C) Rs.25,000 understated (D) Rs. 5,000 understated
59. Provision for depreciation A/c is created by debiting to
- (A) Machinery Account (B) Profit and Loss Appropriation A/c  
(C) Profit and Loss Account (D) None of these
60. When outflow of economic resources to settle an obligation is not probable or the amount expected to be paid to settle the liability cannot be measured with sufficient reliability, it is called
- (A) Provision (B) Contingent liability  
(C) Secured Loan (D) Unsecured Loan
61. Trial balance is a statement which shows \_\_\_\_\_ of all accounts.
- (A) Debit or Credit balances  
(B) Balances and Totals  
(C) Positive and Negative balances  
(D) Opening and Closing balances
62. Correct sequence of the following as per the order of permanency?
- (i) Trade Receivables  
(ii) Patents  
(iii) Machinery  
(iv) Cash in hand
- (A) (i), (ii), (iii), (iv) (B) (ii), (iii), (i), (iv)  
(C) (i), (iii), (iv), (ii) (D) (iii), (ii), (i), (iv)
63. An Asset purchased for Rs.60,000 and paid Rs.10,000 and remaining amount is payable in instalments. This effect leads to
- (A) Both assets and Liabilities Decreased by Rs.50,000  
(B) Assets Increased by Rs.10,000 & Liabilities Decreased by Rs.10,000  
(C) Assets Increased by Rs.50,000 & Liabilities Decreased by Rs.50,000  
(D) Both assets and Liabilities increased by Rs.50,000
64. \_\_\_\_\_ are cheques that are issued by the business but not yet presented to bank.
- (A) Uncredited Cheques (B) Outstanding cheques  
(C) Uncollected Cheques (D) Bounced Cheques

65. Which accounting concept satisfy the valuation criteria
- (A) Going concern, Realisation, Cost
  - (B) Going concern, Cost, Dual aspect
  - (C) Cost, Dual aspect, Conservatism
  - (D) Realisation, Conservatism, Going concern
66. The cost of an Asset is Rs. 1,20,000. The scrap value will be 25% at end of 10 years. If straight line method of depreciation is followed, the rate of depreciation is
- (A) 10%
  - (B) 9%
  - (C) 8.5%
  - (D) 7.5%
67. Machinery was purchased for Rs.20,00,000/-. Market value as on 31.03.2019 is Rs. 24,00,000/-. If the firm values the machinery at Rs. 24,00,000/-, which of the following valuation principle is being followed
- (A) Historical cost
  - (B) Realizable value
  - (C) Current cost
  - (D) Present value
68. A company installed a machinery on 01-04-2010 at a cost of Rs.10,00,000. Useful life of the machine is estimated at 10 years. Depreciation is charged under straight line method. In March, 2017, they found that the machine became obsolete and could not be used. It was sold for Rs.1,00,000. There will be
- (A) Capital loss of Rs.3,00,000
  - (B) Revenue loss of Rs.2,00,000
  - (C) Capital loss of Rs.2,00,000
  - (D) Revenue loss of Rs.3,00,000
69. The amount of depreciation charged under Annuity method
- (A) Remains Fixed for all the years
  - (B) Decreases every year
  - (C) Increases every year
  - (D) Recalculated every year
70. Over draft balance as per pass book is Rs. 26,500. calculate the balance as per bank book if
- (i) Cheques deposited for Rs. 4700 but not collected
  - (ii) Cheques issued for Rs. 11,000 but not presented
  - (iii) Bill discounted and dishonoured Rs. 4,000
  - (iv) Bank paid noting charges Rs. 200
- (A) Credit balance of Rs.28,600/-
  - (B) Credit balance of Rs.16,000/-
  - (C) Credit balance of Rs.24,000/-
  - (D) Credit balance of Rs.28,500/-

71. On 1<sup>st</sup> April, Anoop sold goods of Rs.10,000 to Rema and drew a bill for 3 months. Anoop discounted the bill with bank at 15%. Amount of discount will be?
- (A) Rs. 125 (B) Rs.250  
(C) Rs.375 (D) None of the above
72. Expenditure spend for Increasing the cinema hall seats is in the nature of
- (A) Capital expenditure  
(B) Revenue expenditure  
(C) Deferred revenue expenditure  
(D) None of the above
73. Change in the capital A/c of proprietor may occur due to
- (A) Profit earned  
(B) Loss incurred  
(C) Capital Infused  
(D) All of the above
74. If the goods are sent on Sale or Return basis frequently, the trader prepares
- (A) Sale or Return ledger  
(B) Sale or Return Journal with 2 main columns  
(C) Cash book  
(D) Sale or Return Journal with 4 main columns
75. The preparation of a trial balance is for:
- (A) Locating clerical errors  
(B) Locating errors of commission  
(C) Locating errors of principle  
(D) All of the above
76. Which of the following are current assets?
- (1) Accounts receivable  
(2) Salaries paid-in-advance  
(3) Bank Loan for 3 years  
(4) Preliminary expenses
- (A) (1) and (2)  
(B) (2) and (3)  
(C) (3) and (4)  
(D) All the above

77. What are the options available to the holder of a bill in the bills of exchange (Besides retaining the bill, till the due date)?
- (A) Discount with bank
  - (B) Sent to bank for collection
  - (C) Endorse it to his creditor
  - (D) All of these
78. On 1<sup>st</sup> April, 2018, Mohammed started business with Rs. 60,000 and took a loan Rs. 25,000 from Subin. During the year earned a profit of Rs.10,000 and introduced further capital of Rs.15000. His drawings during the year amounted to Rs. 5000. He paid Rs.5.000 to Subin during the year as part payment of loan on 31<sup>st</sup> March, 2014 his total assets amounted to Rs.1,15,000. Find out the amount of outside liabilities.
- (A) Rs.35,000
  - (B) Rs.40,000
  - (C) Rs.15,000
  - (D) Rs.20,000
79. Sukumar purchased goods Rs.2,00,000 and paid 1% commission on purchases. He sold goods for Rs.2,50,000 and paid 5% commission on sales. His profit will be
- (A) Rs.35,500
  - (B) Rs.34,000
  - (C) Rs.36,000
  - (D) Rs.38,000
80. Renewal fee of patents is a \_\_\_\_\_ expenditure.
- (A) Capital
  - (B) Deferred revenue
  - (C) Revenue
  - (D) Development
81. \_\_\_\_\_ method of depreciation is used when repairs and Maintenance goes on increase
- (A) SLM method
  - (B) WDV method
  - (C) Machine hours method
  - (D) Production units method
82. In which of the following cases, accounting estimates are needed?
- (A) Employs benefit schemes
  - (B) Inventory obsolescence
  - (C) Impairment of losses
  - (D) All of the above

83. A bill is drawn for Rs. 40,000 for 3 months. It is paid 1 month before the due date at 6% discount. The amount of discount is
- (A) Rs.200
  - (B) Rs.400
  - (C) Rs.600
  - (D) Rs.800
84. Goods purchased costing Rs.6,00,000 and cash paid Rs.4,50,000 after receipt of a cash discount Rs.90,000. What is the percentage of trade discount got
- (A) 15%
  - (B) 10%
  - (C) 7 ½%
  - (D) 25%
85. Salesman earned a commission of Rs.35,000, which is based on 10% of Net Profit. If sales is Rs.4,50,000 is more than purchases. No opening & closing stock. Find Direct & Indirect expenses?
- (A) Rs.75,000
  - (B) Rs.1,00,000
  - (C) Rs.2,50,000
  - (D) Not attainable
86. A trader has credited certain items of sales on approval aggregating Rs.90,000 to Sales Account. Of these, goods of the value of Rs. 25,000 have been returned and taken into Inventories at cost Rs.12,000 though the record of return was omitted in the accounts. In respect of another parcel of Rs.18,000 cost being Rs. 9,000 the period of approval did not expire on the closing date. Cost of goods lying with customers should be
- (A) Rs.18,000
  - (B) Rs.81,000
  - (C) Rs.9,000
  - (D) None of the above
87. Debentures are shown under the heading
- (A) Reserves and surplus
  - (B) Capital Reserve
  - (C) Secured Loans
  - (D) Current liabilities

88. The debit balance in the bank columns of cash book indicates
- (A) Total amount withdrawn from bank
  - (B) Total amount deposited in bank
  - (C) Cash at bank
  - (D) Bank overdraft
89. The process of recording financial data up to trial balance is
- (A) Book keeping
  - (B) Classifying
  - (C) Summarising
  - (D) Analysing
90. For a depreciable asset, obsolescence is due to
- (A) Passage of time
  - (B) Technological Changes
  - (C) Wear and Tear
  - (D) None of the above
91. Which of the following account will have a debit Balance?
- (A) Reserve for doubtful debts account
  - (B) Outstanding wages
  - (C) Capital Account (Machinery brought in business)
  - (D) Loan to Supplier
92. Drawings are deducted from
- (A) Capital
  - (B) Sales
  - (C) Purchase
  - (D) None of the above
93. XY Ltd. follows the written down value method of depreciating machinery year after year due to
- (A) Comparability
  - (B) Consistency
  - (C) Convenience
  - (D) All of these
94. Present liability of uncertain amount, which can be measured reliably by using a substantial degree of estimation, is termed as
- (A) Contingent liability
  - (B) Liability
  - (C) Provision
  - (D) None of these

95. \_\_\_\_\_ Concept is the basis idea that the business is separate from owner.
- (A) Dual aspect
  - (B) Materiality
  - (C) Realisation
  - (D) Entity
96. In Journal Entries which pertain to outstanding entries, prepaid entries, depreciation entries are called
- (A) Adjustment Entries
  - (B) Rectification Entries
  - (C) Transfer Entries
  - (D) Closing Entries
97. When a fixed asset is sold
- (A) The total Assets will increase
  - (B) The total Assets will decrease
  - (C) Total Liabilities will increase
  - (D) There is no change in total assets
98. Which of the following statements are true about discount columns of cashbook?
- (A) Not balanced
  - (B) Not an account
  - (C) They are totalled and transferred to respective discount paid / received A/cs
  - (D) All of the above
99. In case of loss of goods by fire accident, such loss is debited to
- (A) Normal loss account
  - (B) Purchase account
  - (C) Inventory account
  - (D) Abnormal loss account
100. \_\_\_\_\_ is prepared to ascertain the arithmetical accuracy of posting & balancing of accounts
- (A) Cash book
  - (B) Bank Reconciliation statement
  - (C) Trial Balance
  - (D) Journal

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