

DE-7/2021/76

Question Booklet
Alpha Code

A

Question Booklet
Serial Number

--

Name:		Reg.No.		Signature:	
-------	--	---------	--	------------	--

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-7/2021/76

Maximum : 100 marks

Time : 1½ hours

1. Pick out the wrong statement :
 - (A) The primary feature of accounting is recording of transactions and events
 - (B) The only objective of accounting is the ascertainment of operating result
 - (C) There are events which can not be recorded in monetary terms
 - (D) Accounting is considered as an information system also
2. The transaction of "Payment of salary to employees" is an example of :
 - (A) external event
 - (B) internal event
 - (C) non-economic event
 - (D) none of the above
3. Which one of the following is an internal user of accounting information of a business concern?
 - (A) government agencies
 - (B) tax authorities
 - (C) labour unions
 - (D) none of the above
4. Which one of the following user is more interested in analysing the "financial stability" of the business concern from the accounting information provided to them?
 - (A) Lenders
 - (B) Employees
 - (C) Customers
 - (D) Government
5. Those assets which can be touched, seen and felt are termed as :
 - (A) Current Assets
 - (B) Fixed Assets
 - (C) Tangible Assets
 - (D) Intangible Assets
6. Sales represents :
 - (A) revenue earned through sale of goods only
 - (B) revenue earned through sale of goods or services
 - (C) revenue earned through sale of goods including scraps
 - (D) none of the above
7. _____ are persons or entities to whom the business owes on account of credit purchases made.
 - (A) Debtors
 - (B) Lenders
 - (C) Owners
 - (D) Creditors
8. Closing Stock is categorised as :
 - (A) Current Assets
 - (B) Fixed Assets
 - (C) Intangible Assets
 - (D) None of the above
9. Capital is _____ on the total assets of the business.
 - (A) owners' claim
 - (B) financiers claim
 - (C) customers claim
 - (D) sellers claim

10. Pick out the wrong statement :
- (A) Accounting provides quantitative information
 - (B) Accounting acts as an information system
 - (C) Accounting helps in ascertaining operating result as well as financial position
 - (D) Accounting records both monetary and non-monetary transactions
11. The owners and creditors of a business would like to know the operating result periodically. Mention the relative accounting assumption :
- (A) Going Concern Assumption
 - (B) Accounting Period Assumption
 - (C) Accounting Entity Assumption
 - (D) None of the above
12. Accounting Equation is developed based on :
- (A) Matching Principle
 - (B) Revenue Recognition Principle
 - (C) Duality Principle
 - (D) None of the above
13. The profit of a business concern is ascertained by comparing the expenses of a particular period with reference to the income of that period. Mention the relative principle :
- (A) Revenue Recognition Principle
 - (B) Historical Cost Principle
 - (C) Full Disclosure Principle
 - (D) None of the above
14. If a significant change in accounting policies and practices are adopted in particular year, then the business enterprise is required to record the fact as footnotes of annual accounts of that year. Mention the relative accounting principle :
- (A) Historical Cost Principle
 - (B) Materiality Principle
 - (C) Conservatism Principle
 - (D) Consistency Principle
15. Usually the expenses incurred for the purchase of cheap articles like pen, pencils etc. are treated as expenses under the head stationery and not as assets. Mention the relative accounting principle :
- (A) Materiality Principle
 - (B) Matching Principle
 - (C) Revenue Recognition Principle
 - (D) None of the above
16. Most of the business enterprises are following _____ for the preparation of financial statements.
- (A) Globally Accepted Audit Principles
 - (B) Specific Format and Guidelines accepted by owners
 - (C) Guidelines issued by Institute of Chartered Accountants
 - (D) Generally Accepted Accounting Principles and Practices
17. While preparing financial statements provisions are made for all possible losses and doubtful debts but no provision is made for doubtful income and profits. Mention the relative modifying accounting principle?
- (A) Cost Benefit Principle
 - (B) Materiality Principle
 - (C) Prudence or Conservatism Principle
 - (D) Consistency Principle
18. Accounting Standards in INDIA are formulated and governed by :
- (A) Institute of Professional Accountants of India
 - (B) Accounting Standards Board
 - (C) Comptroller and Auditor General of India
 - (D) Securities Exchange Board of India

19. Which is the Accounting Standard that deals with the treatment of contingencies and events occurring after the preparation of financial statements?
(A) AS-4 (B) AS-5
(C) AS-6 (D) AS-7
20. Which one of the following is not termed as retirement benefit as per AS-15?
(A) Provident Fund Closure
(B) Gratuity
(C) Leave Encashment benefit on retirement
(D) None of the above
21. The borrowing costs incurred by an enterprise for the acquisition of an asset should be as part of the cost of asset as per AS-16 :
(A) Hypothecated (B) Depreciated
(C) Capitalised (D) None of the above
22. Computer Software is termed as _____ as per AS-26.
(A) Tangible Assets (B) Intangible Assets
(C) Current Assets (D) None of the above
23. Taxes on income are accrued in the same period as the revenue and expenses to which they relate as per :
(A) Matching Principle (B) Revenue Recognition Principle
(C) Objectivity Principle (D) Duality Principle
24. Which one of the following is not to be treated as a fixed asset?
(A) Land and Buildings (B) Plant and Machinery
(C) Vehicles (D) None of the above
25. Which one is treated as a qualitative characteristics of accounting information?
(A) Reliability (B) Relevance
(C) Comparability (D) All the above
26. _____ is an essential pre-requisite for correct recording in accounting.
(A) Journal (B) Ledger
(C) Identification of business transaction (D) Accounting software
27. Accounting Equation is also called :
(A) Journal Equation (B) Ledger Equation
(C) Balance Sheet Equation (D) None of the above
28. Pick out the wrong statement :
(A) Total assets will be equal to total equity
(B) Equity means the claim of the owner against the assets of the business
(C) Total assets are always equal to the total of capital and liabilities
(D) Assets, Liabilities and Capital are the components of accounting equation

29. Journal is the prime book in which transactions are entered first time from a :
- (A) Proforma invoice (B) Bank statement
(C) Source document (D) None of the above
30. In double entry accounting system, the fundamental principle is that, every transaction affects :
- (A) two aspects (a receiving and a giving)
(B) at least two aspects
(C) only one debit aspect and one credit aspect
(D) none of the above
31. Pick out the correct statement :
- (A) increase in asset is debited and increase in liability is credited
(B) increase in asset and income are debited
(C) increase in expense and liability are credited
(D) All the above statements are wrong
32. Pick out the wrong statement :
- (A) An account is a classified summary of transactions relating to particular type of account for a particular period
(B) A cash book is just like a cash account
(C) A cash book always shows a debit balance or nil balance
(D) When a balance is struck in credit side of ledger it is termed as credit balance
33. When there are two or more transactions of similar nature occurring on the same day and the entry for the same have more than one debit or credit it is called :
- (A) Two aspect journal entry (B) Multiple journal entry
(C) Compound Journal Entry (D) None of the above
34. Pick out the wrong statement :
- (A) Cash Book serves the dual purpose of a journal and a ledger
(B) The format of Cash Book and Journal Book is same in all respects
(C) Cash Book is a subsidiary journal book
(D) Cheque Payment is also considered as equal to cash payments
35. Which one of the following is not a subsidiary journal book?
- (A) Cash Book (B) Purchases Day Book
(C) Sales Day Book (D) Cheque Issue Book
36. Pick out the false statement :
- (A) Cash and Bank Column of Double Column Cash Book always shows debit balance
(B) When a cheque is issued, it will appear on the credit side of the cash book in bank column
(C) Reference of Ledger Folio is given in both sides of Cash Book
(D) All the above statements are false

37. When a transaction of same amount is recorded on both sides of the Cash Book but in different columns such entry is called?
 (A) Neutral Entry (B) Contra Entry
 (C) Adjusting Entry (D) Rectification Entry
38. Analytical Petty Cash Book is very helpful as it :
 (A) serves as a parallel cash book
 (B) shows the item wise payment from petty cash book daily
 (C) avoid the service of petty cashier
 (D) none of the above
39. Which one of the following payment is to be directly routed through main cash book?
 (A) Salary (B) Postage
 (C) Taxi Fare (D) Petty donations
40. Purchase Returns Book is also known as :
 (A) Good Return Book (B) Material Return Book
 (C) Returns outward Book (D) Returns inward Book
41. _____ is a statement sent to the buyer by the seller on return of goods indicating that his account has been credited with the amount mentioned.
 (A) Sales return note (B) Purchase return note
 (C) Credit note (D) Debit note
42. If the bills are received against credit sales, the seller may record the same in a separate book called :
 (A) Bills Payable Book (B) Bills Receivable Book
 (C) Credit Sales Book (D) Credit Purchase Book
43. Which is the Main or Principal Book of Account of a business?
 (A) Ledger (B) Journal
 (C) Cash Book (D) Sales Book
44. The process of recording the transaction in the ledger account by referring to the journal is called :
 (A) Journalising (B) Posting
 (C) Balancing (D) Accounting
45. How can you close the Revenue (Income) Accounts and Expenses Accounts?
 (A) By transferring the respective balance to Receipts and Payments Account
 (B) By transferring the respective balance to Balance Sheet
 (C) By transferring the balance to Trading and Profit and Loss Account
 (D) By transferring the balance to Trial Balance
46. Pick out the wrong statement
 (A) Accounting is not only incomplete but is not at all reliable, without ledger
 (B) The amount due from a customer or amount due to a customer as on particular date, is ascertainable from ledger accounts
 (C) The ledger accounts provide the basis for the preparation of final accounts
 (D) The overall financial position can be ascertained by analysing a ledger account

47. Pick out the wrong one :
- (A) Machinery Account shows a credit balance of Rs. 5,00,000/-
 - (B) Purchases Account shows a debit balance of Rs. 5,00,000/-
 - (C) Sales Account shows a credit balance of Rs. 5,00,000/-
 - (D) Stationery Account shows a debit balance of Rs. 5,500/-
48. What is the remarks to be shown in the LF column in the case of following journal entry with the same amount.
- | | | |
|----------|----------|--|
| Cash A/c | Dr | |
| To | Bank A/c | |
- (A) Cash Credit
 - (B) Contra
 - (C) Debit
 - (D) Credit
49. When a cheque issued to a customer is dishonoured :
- (A) the amount will be entered in bank column on the debit side of cash book
 - (B) the amount will be entered in cash column on the credit side of bank account
 - (C) the amount will be entered in bank account only
 - (D) None of the above
50. A credit balance in the bank column of cash book is technically known as :
- (A) Deficit
 - (B) Overdraft
 - (C) Surplus
 - (D) None of the above
51. Which one of the following may not be a reason for the difference in bank balance as per passbook and bank column of cash book?
- (A) Cheque issued but not presented in bank
 - (B) Cheque deposited but not collected
 - (C) Commission of cash sales
 - (D) Bank charges directly debited by bank
52. If cash balance is taken as base in the preparation of Bank Reconciliation Statement which of the following is added to arrive at the bank balance :
- (A) Interest allowed by the bank
 - (B) Bank charges directly debited by bank
 - (C) Cheque deposited but not yet collected
 - (D) Interest on overdraft directly debited by bank
53. Pick out the wrong statement :
- (A) Normally Bank Reconciliation Statement is prepared at the end of each month
 - (B) The Bank Reconciliation Statement is prepared to show the cause of difference between bank balance as per bank record and bank column of cash book
 - (C) Bank Reconciliation Statement can be prepared by taking the bank balance as per pass book or balance as per bank column of cash book as the starting point
 - (D) Bank Reconciliation Statement is prepared at the end of the financial year only

54. For any errors and omissions in cash book
 (A) corresponding rectification entry need to be effected in bank pass book
 (B) corresponding rectification entry need to be effected in both cash book and pass book
 (C) corresponding rectification entry need to be effected in cash book only
 (D) none of the above
55. In the following case what will be the difference between bank and cash book balance :
 Cheque Deposited in Bank but not collected-5,600/-
 Cheque Issued to party but not paid from bank-5,600/-
 Dividend directly collected by bank-1000/-
 Bank charges debited in the pass book-350/-
 Other factors causing the difference-Nil.
 (A) 11,850 (B) 10,550
 (C) 650 (D) 1,350
56. Mr. A Commenced business with cash-Rs. 1,00,000/- Journalise
 (A) Mr. A.s Capital Account Debited and Cash Account Credited with Rs. 1,00,000/- each
 (B) Cash Account Debited and Mr. A.s Capital Account Credited with Rs. 1,00,000/- each
 (C) Proprietor Account Debited and Cash Account Credited, with Rs. 1,00,000/-each
 (D) None of the above
57. Cash Sales-Rs.5,000/- Journalise
 (A) Sales Account Debited and Commodity Account Credited with Rs.5,000 each
 (B) Sales Account Debited and Cash Account Credited, with Rs.5,000/- each
 (C) Commodity Account Debited and sales Account Credited with Rs.5,000/- each
 (D) Cash Account Debited and Sales Account Credited, with Rs.5,000/- each
58. Credit Purchase from Rahul. Journalise
 (A) Rahul Account debited and Purchases Account credited
 (B) Creditors Account debited and Purchases Account credited
 (C) Rahul Account debited and Sundry Debtors Account credited
 (D) Purchases Account Debited and Rahul Account Credited
59. Withdrew Rs.1000/- for personal use Journalise
 (A) Cash Account Debited and Bank Account credited, with Rs.1,000/- each
 (B) Drawings Account Debited and Cash Account credited with Rs. 1000/- each
 (C) Cash Account Debited and Drawings Account credited with Rs. 1000/-each
 (D) None of the above
60. Rs. 1,00,000/- transferred to employees accounts via net-banking as salary :
 (A) Salary Account Debited and Bank Account credited with Rs. 1,00,000/- each
 (B) Salary Account Debited and Employees Personal Account credited with Rs. 1,00,000/- each
 (C) Bank Account Debited and Salary Account Credited with Rs. 1,00,000/- each
 (D) Bank Account Debited and Proprietor Account Credited, with Rs. 1,00,000/- each

61. Online Transfer of Rs. 30,000/- from bank. Rs. 15,000/- as rent and Rs. 15,000/- as advertisement charges. Journalise
- (A) Rent and Advertisement charges account are debited with Rs. 15,000/- each and bank account credited with Rs. 30,000/-
 - (B) Cash Account Debited with Rs. 30,000/- and bank account credited with Rs. 30,000/-
 - (C) Office Expense Account Debited with Rs. 30,000/- and bank account credited with Rs. 30,000
 - (D) Bank Account debited with Rs. 30,000/- and Rent and Advertisement Charges Accounts are credited with Rs. 15,000/- each
62. Paid Rs. 20,000/- to Rahul in settlement of credit purchase Rs. 21,000/- (Rs. 1,000/- discount offered at the time of payment)-journalise (Suppose Purchases Day Book is not maintained) :
- (A) Purchases Account debited by Rs. 21,000/- and Rahul Account credited by Rs. 21,000/-
 - (B) Rahul Account debited by Rs. 21,000/- and Cash Account and Discount Received Account are credited by Rs. 20,000/- and Rs. 1000/- respectively.
 - (C) Cash Account and Discount Received Account are debited by Rs. 20,000/- and Rs. 1,000/- respectively and Rahul Account credited by Rs. 21,000/-
 - (D) None of the above
63. Received Rs. 29,000/- from Mr. Shyam in settlement of credit sale of Rs. 30,000/- (Discount allowed at the time of settlement)-Journalise
(Suppose Sales Day Book is not maintained)
- (A) Cash Account debited by Rs. 30,000/- Mr. Shyam account credited by Rs. 30,000/-
 - (B) Cash Account and Discount allowed account are debited by Rs. 29,000/- and Rs. 1000/- respectively and Mr. Shyam account credited by Rs. 30,000/-
 - (C) Mr. Shyam account debited by Rs. 30,000/- and Cash account and discount allowed account are credited by Rs. 29,000/- and Rs. 1,000/- respectively
 - (D) None of the above
64. Sold to John for Rs 50,000/- Journalise
- (A) John Account debited with Rs. 50,000/- and Sales account credited with Rs. 50,000/-
 - (B) Sales Account debited with Rs. 50,000/- and John account credited with Rs. 50,000/-
 - (C) Cash account debited with Rs. 50,000/- and John account credited with Rs. 50,000/-
 - (D) None of the above
65. Purchase of goods worth Rs. 25,000/- and issued cheque on the date of purchase itself. Journalise
- (A) Purchase Account Debited and Bank Account Credited with Rs. 25,000/- each
 - (B) Bank Account Debited and Purchase Account credited, with Rs. 25,000/- each
 - (C) Goods Accounts Debited and Purchase Account credited with Rs. 25,000/- each
 - (D) None of the above

66. From the following details group the items recorded in the payment side of a Double Column Cash Book.
- | | | | Rs. |
|-----|--|-----|-----------|
| 1 | Cash sales | – | 7,000/- |
| 2 | Cash purchases | – | 5,500/- |
| 3 | Paid to Ramu by cheque | – | 6,000/- |
| 4 | Paid into Bank | – | 10,000/- |
| 5 | Cheque received from Ashok dishonoured | – | 4,000/- |
| 6 | Withdrew from bank | – | 8,000/- |
| (A) | (1 and 3) | (B) | (2 and 3) |
| (C) | (4 and 5) | (D) | (1 and 2) |
67. Analytical Petty Cash Book is maintained by :
- (A) Main Cashier (B) Head Accountant
(C) Petty Cashier (D) Chief Accountant
68. Pick out the wrong statement :
- (A) All sales of goods are recorded in Sales Journal
(B) All credit sale of goods are recorded in Sales Journal
(C) All cash sale is recorded in Sales Journal
(D) Sales Journal is also known as Purchase Day Book
69. The purchase invoices received from the suppliers serves as the source document for recording entries in the :
- (A) Sales Day Book (B) Sales Journal
(C) Purchase Day Book (D) Ledger
70. Pick out the correct statement :
- (A) Trade Discount allowed by the supplier is treated as income
(B) Trade Discount allowed by the supplier is deducted from the cost of goods in Purchases Day Book
(C) The additional expenses in connection with the credit purchases, such as carriage packing charges etc. are always treated as indirect expenses
(D) Details of all purchases are recorded in Purchase Day Book
71. Trial Balance provide a basis for the preparation of :
- (A) Final Accounts (B) Profit and Loss Account only
(C) Receipts and Payments Account only (D) Balance Sheet only
72. Pick out the correct statement :
- (A) Trial balance is not a part of double entry
(B) Trial Balance is not an account
(C) It is prepared before preparing the final accounts
(D) All the above statements are true
73. Which of the following is not a method for the preparation of trial balance?
- (A) Total Method (B) Balance Method
(C) Posting Method (D) none of the above

74. If salary account is over debited by Rs. 4,500/- and commission received account is over credited by Rs.4500/- such an error is classified as :
- (A) Errors of Principle (B) Errors of Commission
(C) Errors of omission (D) Compensating Error
75. If sale proceeds of scrap of a Tyre Company is credited to sales account such an error is classified as :
- (A) Errors of commission (B) Errors of omission
(C) Clerical error (D) Errors of Principle
76. Which one of the following error is not disclosed by the Trial Balance?
- (A) Complete omission of a transaction in Journal
(B) Entering a wrong amount in the subsidiary books
(C) Omission of an item in posting
(D) Posting of an amount in wrong account
77. Who is primarily responsible for locating errors in accounting before the preparation of final accounts?
- (A) Auditor (B) Chief Cashier
(C) Accountant (D) none of the above
78. A cheque payment of Rs.1,000/- given to Ram was wrongly debited to Ramesh account. What will be the rectification entry?
- (A) Ram account to be debited and Ramesh account to be credited by Rs. 1,000/- each
(B) Ramesh account to be debited and Ram account to be credited by Rs. 1,000/- each
(C) No rectification needed
(D) None of the above
79. Vehicle insurance of the proprietor has been debited to the vehicle insurance account of the company. What will be the rectification entry?
- (A) Vehicle Insurance Account to be debited and cash account to be credited
(B) Drawings account to be debited and Vehicle Insurance account to be credited
(C) Vehicle Insurance account to be debited and drawings account to be credited
(D) No rectification needed
80. Sale of Furniture in office credited to sales account. What will be the rectification entry?
- (A) Sales account to be debited and furniture account to be credited
(B) Furniture account to be debited and sales account to be credited
(C) Sales account to be debited and cash account to be credited
(D) None of the above
81. The unlocated errors in the accounts are temporarily transferred to _____ account if the situation warrants urgent finalisation of accounts.
- (A) Trial balance (B) Profit and loss account
(C) Receipts and Payments accounts (D) Suspense account
82. Errors not affecting the trial balance are corrected :
- (A) by footnotes
(B) by notes on accounts
(C) by an appended statement
(D) by direct debit or credit in affected accounts

83. Purchase of furniture, wrongly entered in Purchase Book subsequently located. What will be the rectification journal entry?
- (A) Purchase Account Debited and Cash account credited
 (B) Furniture account debited and suspense account credited
 (C) Furniture account debited and Purchase account credited
 (D) Suspense account debited and Furniture account credited
84. A sum of Rs. 530/- received from Mr. A was posted to his account as Rs. 350/-. What will be the rectification entry on subsequent location of error after transferring the difference to suspense account?
- (A) Mr. A's account debited by Rs. 180/- and sales account credited by Rs. 180/-
 (B) Mr.A's account debited by Rs. 530/- and suspense account credited by Rs. 530/-
 (C) Mr.A's account debited by Rs. 180/- and suspense account credited by Rs. 180/-
 (D) None of the above
85. Calculation of which one of the following is not necessary for the preparation of final accounts :
- (A) Net Profit (B) Net Loss
 (C) Gross Profit (D) Operating Profit
86. The Income Statement is divided into :
- (A) 2 sections (B) 3 sections
 (C) 4 sections (D) 5 sections
87. All expenses directly associated with purchase or production will form part of :
- (A) Gross Profit (B) Net Profit
 (C) Cost of Goods (D) none of the above
88. Net Sales – () = Gross Profit.
- (A) Purchases (B) Purchases + Wages
 (C) Cost of goods sold (D) Direct Expenses
89. Net Purchases = Total Purchases – (—————)
- (A) Total Sales (B) Purchase Returns
 (C) Sales Returns (D) Direct Expenses
90. Trading account is prepared for ascertaining :
- (A) Closing Stock (B) Gross Profit / Gross Loss
 (C) Net Profit / Net Loss (D) Operating Result
91. Which of the following is not treated as a direct expense?
- (A) Carriage (B) Wages
 (C) Fuel (D) Salary
92. Which of the following is not treated as indirect expense?
- (A) Return Inwards (B) Printing and Stationery
 (C) Trade Expenses (D) Freight

93. Which is the entry to close net loss?
 (A) Capital Account ... Dr.
 To Profit and Loss account
 (B) Profit and Loss Account ... Dr.
 To Capital Account
 (C) Net Profit Account ... Dr.
 To Balance sheet account
 (D) None of the above
94. A balance sheet is a statement, which shows the financial position of trader or business concern :
 (A) as on a particular date
 (B) for a financial year
 (C) for an accounting period
 (D) as on 31st March every year
95. Pick out the high liquidity asset out of the following – (Stock of Goods, Sundry Debtors, Building Patent)
 (A) Stock of Goods
 (B) Patent
 (C) Sundry Debtors
 (D) Building
96. Prepaid expenses are expenses which are :
 (A) Expenses relating to the current year already paid during the previous year
 (B) Expenses paid during the year but not yet due for payment
 (C) Expenses in connection with commencement of business
 (D) None of the above
97. Which of the following is shown as an asset in Balance Sheet?
 (A) Accrued Income
 (B) Outstanding Expenses
 (C) Overdue loan
 (D) Doubtful debts
98. Depreciation is charged to :
 (A) Provision for Depreciation Account
 (B) Trading Account
 (C) Balance Sheet
 (D) Profit and Loss Account
99. When provision for bad debts exists in the accounts then?
 (A) a certain percentage is written off from this every year
 (B) a certain percentage is added every year
 (C) no further provision is needed
 (D) all bad debts incurred is to be written off from this to the extent possible
100. Deferred Revenue Expenditure is :
 (A) Expenses the benefit of which has already received but due for payment
 (B) Expenses to be incurred in coming years but benefit received during previous years
 (C) Expenses incurred during current year, the benefit of which is likely to be gradually in subsequent years
 (D) None of the above

SPACE FOR ROUGH WORK

SPACE FOR ROUGH WORK