

CLASS/SEMESTER:- TYBCOM (ACCOUNTING & FINANCE) / SEMESTER- VI

NAME OF THE SUBJECT:- FINANCIAL ACCOUNTING - VII

SAMPLE QUESTIONS FOR SELF PRACTICE

Sr.no	Questions	Option-A	Option-B	Option-C	Option-D
1	Journal Entry in the books of Electricity Company on receipt of Security Deposit ?	Bnnk A/c Dr. To Capital Reserve A/c	Bnnk A/c Dr. To Security Deposit A/c	Bnnk A/c Dr. To Revenue A/c	Bnnk A/c Dr. To Sales A/c
2	_____ A/c shows the sources from which fixed capital is raised.	Original cost	Replacement price	Capital	None of the above
3	Balance on capital A/c is shown in the Balance Sheet on _____ side.	Finance Cost	Balance Sheet	Liability	None of the above
4	Depreciation is shown in _____.	P & L statement	Fixed Assets	Finance Cost	None of the above
5	Depreciation on fixed asset is credited to _____ A/c.	Fixed Assets	Original cost	Capital	None of the above
6	Fixed Assets are shown at cost in _____ A/c.	Balance Sheet	Replacement price	Original cost	None of the above
7	Interest on Debentures is shown as _____.	Finance Cost	Original cost	Replacement price	None of the above
8	_____ shows the operating result of the organisation.	Reserves & Surplus	P & L statement	General Balance Sheet	None of the above
9	Premium on issue of securities is retained as _____ item.	Original cost	Reserves & Surplus	Capital A/c	None of the above
10	Expenses incurred are shown in _____.	Capital A/c	P & L statement	Reserves & Surplus	None of the above
11	Customer's contribution for service line is disclosed in the balance sheet as _____.	Share Capital	Reserves & Surplus	Non-Current Liability	None of the above
12	In case of Electricity Companies, depreciation is charged on the I.T Equipments by the _____ company at the rate of ?	3.34%	5.28%	9.50%	15.00%
13	Balance Sheet of Electricity Company is presented in _____.	Schedule III Format	Three Parts	Four Parts	Five Parts
14	Fixed Assets are shown at cost in _____.	Revenue A/c	Capital A/c	Net Revenue A/c	Balance Sheet
15	Premium on issue of securities is retained as _____.	Reserves & Surplus	Revenue Item	Net Revenue Item	General Balance Sheet Item
16	Depreciation is shown as a depreciation in _____.	Reserve A/c	P & L Statement	General Balance Sheet	Capital A/c
17	Depreciation on fixed asset is credited to _____.	Depreciation Fund	Revenue A/c	Fixed Asset A/c	Capital A/c
18	Operating result is shown by _____.	P & L Statement	Net Revenue A/c	Balance Sheet	Capital A/c
19	Preliminary Expenses are treated as _____.	Reserve Expenditure	Other Current Assets	Deferred Revenue A/c	None of the above
20	Under Double A/c system old asset continues to appear at _____.	Original cost	Replacement price	Market price	None
21	Book value of old asset is w/off under _____.	Double Account system	Single Account system	Double Entry system	Single Entry System.
22	The Electricity Act, 2003 has replaced _____.	Indian Electricity Act, 1910	Electricity Supply Act, 1948	Electricity Rules, 1956	All of the above
23	For Capital expenditure purposes investment component has _____.	Grant Component	Loan Component	Grant & Loans Component	All of the above
24	In special category states 100% of the project cost is provided.	100% Grants & 10% Loan	50% Grants & 40% Loan	30% Grants & 70% Loan	None of the above
25	Depreciation is provided as per _____.	Regulation 2009	Regulation 2003	Regulation 2004	None of the above
26	Rates of depreciation are determined by _____.	Electricity regulatory commission	Electricity Regulatory Commission	The Government	None of the above
27	Depreciation is provided as per _____.	WDV Method	SLM Method	D.F. Method	None of the above
28	Depreciation is charged on _____.	Historical Cost	Revalued Value	Market Value	None of the above
29	An Electricity company has acquired plant and machinery costing Rs.20 lakhs having useful life of 15years. The salvage value is to be consider as per the regulation. Depreciation on plant and machinery p.a. is ?	Rs. 1.5 lakhs	Rs. 1.2 lakhs	Rs. 1 lakhs	Rs. 1.3 lakhs
30	Loan repayment period is _____.	10 years	12 Years	15 Years	20 Years
31	Debt equity ratio for financing capital expenditure is _____.	70% Debt, 30% Equity	60% Debt, 40% Equity	50% Debt, 50% Equity	None of the above
32	Return on equity allowed is _____.	14%	10%	20%	15%
33	Balance of Security deposit from electricity consumers _____.	is written off	is shown as current liability	is shown as non- current liability	is shown as current assets

34	In case of Electricity Companies, depreciation is charged as per	either Straight Line Method or Written Down Value Method	either Straight Line Method or Optimised Depreciated Replacement Cost based method (OPRC)	Only Straight Line Method	on the Optimised Depreciated Replacement Cost based method (OPRC)
35	Grant received under APDRP Of Ministry of Power is accounted for	as a liability	as a reserve	as a capital reserve	as reduction in cost of fixed assets
36	Deposit for service line contribution cum development charges may be	as a liability	as a reserve	as a capital reserve	as reduction in cost of fixed assets
37	In case of additional capital expenditures by Electricity companies due to	closing gross block of assets	opening gross block of assets	average gross block of assets	on additional capital expenditure on time basis or pro rata basis
38	Register of allotment of flats is to be maintained by a Co. Op.	Housing	Repairs	Maintenance	Renewal of property
39	A Co. Op. Hsg. Society has to contribute Rs. _____ per member towards	Rs. 3	Rs. 5	Rs. 10	Rs. 7
40	A Co. Op. _____ Society has to raise a bill on the members for outgo	Housing	profit	social welfare	None of the above
41	The transfer fees should not exceed Rs. _____.	Rs. 20,000	Rs. 25,000	Rs. 15,000	Rs. 5,000
42	Income & Expenditure A/c is to be prepared in _____ Form.	C	N	I	D
43	Balance sheet of a co.op. Hsg. Society is to be prepared in _____ Form	I	N	D	C
44	Sinking Fund is provided by a Co. Op. Hsg. Society as per by laws _____	10	12	13	14
45	Lease Rent is based on the _____ up area of the flat.	social welfare	Local	Built	
46	A Co.op. Hsg. Society has to transfer _____ of the net profit to _____	10% Reserve Fund	20% Reserve Fund	25% Reserve Fund	15% Reserve Fund
47	Honorarium to office bearers should not exceed _____ % of the net profit	15%	25%	20%	5%
48	The rate of dividend cannot exceed _____ % in the case of co. op. soc	15%	10%	2%	8%
49	Entrance fees received from the members is to be _____.	Capitalised	Repairs	Maintenance	None of the above
50	Premium on transfer of flat should be _____.	Capitalised	profit	Maintenance	None of the above
51	Subscription to education fund is to be deposited with _____.	Renewal of property	Maharashtra Rajya Sahakars Sangh	Maintenance	None of the above
52	A cooperative form of Organisation is based on the principle of	democracy	autocracy	unity	team spirit
53	Cooperative societies are formed by	rich people	farmers	Govt. servants	weaker sections of the society
54	The aim of cooperative societies is	service	profit	social welfare	charity
55	The Maharashtra coop. Societies Act was passed in	1912	1960	1980	1961
56	Maharashtra coop. societies rules are framed in	1980	1961	1985	1912
57	The society doing the business of bank is called as	Central bank	Cooperative bank	Maha Bank	Apex bank
58	Register of members should be maintained in form	A	I	D	C
59	Value of Share of each member in capital of the society	Rs. 250	Rs.300	Rs.1500	Rs.3000
60	Annual statements of accounts should be prepared with in – days of c	90 days	45 days	65 days	180 days
61	Balance sheet and P & L A/C of a cooperative society should be prep	A	N	D	(B)
62	The amount of profit to be transferred to Reserve fund is	10%	20%	25%	35%
63	Payment of dividend by the society should not exceed	10%	20%	12%	15%
64	The amount to be set aside for chartable purpose is	10%	20%	25%	35%
65	Collection for Non Occupancy Charges is shown in the Income and Expenditure Account of a co-operative society	Under Collection from Member (Society Charges)	Under Collection from Member (Service Charges)	under Interest and Dividends	under Other Income
66	Debentures should be shown under	Secured loans	Unsecured loans	Reserve fund	None of the above
67	Fixed deposits should be shown under	Loans	Deposits	Unsecured loans	Current liabilities
68	Live stock should be disclosed under	Current assets	Fixed assets	Other assets	Misc. expence
69	Goodwill should be disclosed under	Fixed assets	Misc. Exp	Intangible assets	Tangible assets

70	Prepaid expenses should be disclosed under	Other items	Advances	Current assets	none of the above
71	Loose tools should be disclosed under	Fixed assets	Current assets	Other items	Misc. Expenses
72	Audit Charges under Maharashtra Co-operative Housing Society.	Rs. 1 Per member	10 % of service charges	Rs. 250	Rs. 36 per member per year
73	Govt. securities purchased should be disclosed under	Investments	Current assets	Other items	Misc. Expenses
74	Call deposits on banks should be disclosed under	Cash & bank balance	Current assets	Fixed assets	Misc. Expenditure
75	Interest received on loans should be	credited to I & E A/c	debited to P & L A/c / I & E	disclosed as liability	both b & c
76	Staff provident fund should be disclosed in the Balance sheet	separately on liability side	Under reserve fund	Current liabilities	none of the above
77	Staff provident fund investment should be disclosed on assets side	Under investment	Separately	Current assets	none of the above
78	Share transfer fess should be	credited to Reserve Fund	debited to P & L A/C	shown under intangible assets	none of the above
79	Share capital contributed by the Govt. and by different members should be	Clubbed together	Shown separately	Shown under own fund	none of the above
80	Prepaid Expenses is shown in the balance sheet of a co-operative society	under Fixed Assets	under Current Assets	under Loans and Advances	under Miscellaneous Expenditure
81	Contingent liabilities Should be	shown under Current liabilities	shown under Secured loans	shown as a foot note to Balance sheet	ignored totally
82	Reserve fund created by the society can be utilised for	payment of dividend	business of the society	local interest	b & c
83	Reserve fund of the society shall comprise	Entrance Fees	Premium on transfer	Transfer fees	All of the above
84	Reserve fund may be utilised for	Repairs	Maintenance	Renewal of property	All of the above
85	Honorarium to office bearers should not exceed	15% of Net profit	Rs. 2,000	net profit or Rs. 2,000 whichever is less	All of the above
86	Contribution to Education Fund by the Hsg. Society if the jurisdiction is in Maharashtra	Rs. 3 per member	Rs. 2 per member	Rs. 10 per member	Rs. 50 per member
87	Contribution to Education Fund by the Hsg. Society in Grampanchayat	Rs. 3 per member	Rs. 2 per member	Rs. 10 per member	Rs. 100 per member
88	Contribution to Repairs and Maintenance Fund is	of construction cost of each flat	of construction cost of each flat	of construction cost of each flat	of construction cost of each flat
89	Contribution to Sinking Fund is	of construction cost of each flat	of construction cost of each flat	of construction cost of each flat	of construction cost of each flat
90	A Cooperative Hsg. Society has to prepare	Income & Expenditure A/c	Profit & Loss A/c	Revenue A/c	None of the above
91	Balance Sheet of a Cooperative Hsg. Society has to be prepared in	N Form	H Form	C Form	D Form
92	The investment intended to be held for less than _____ months is called	9, current	2, current	12, current	5, current
93	The carrying amount of current investment is to be shown at _____ of	number shares held	face value of shares	cost or market value	None of the above
94	The interest due upto date of purchase is to be segregated from total price	cost or market value	no. of shares	cum-interest	None of the above
95	The interest on investment is to be calculated on _____ of investment	number shares held	face value of shares	face value	None of the above
96	Under Investment Accounting Interest is paid by the company to the _____ ?	holder of the security on the due date irrespective of the actual period of holding	original holder	buyer of the security on the due date	seller of the security.
97	Rights shares are offered in ratio of	number shares held	face value of shares	cost of shares	paid up value of share
98	AS-13 provides for accounting for investment in _____ or _____.	shares or debentures	added to cost	face value	None of the above
99	Cost of investment includes purchase price and _____.	expenses	brokerage	shares or debentures	None of the above
100	The brokerage and stamp duty paid at the time of purchase is _____.	added to cost	Investment	shares or debentures	None of the above
101	The brokerage is calculated on _____ price of investment.	transaction	expenses	brokerage	None of the above
102	The cost of investment sold is to be ascertained as per AS-13	weighted average	number shares held	face value of shares	All of the above
103	The premium received on sale of Rights is credited to _____.	debited to profit and loss A/c	Profit & Loss Account	credited to profit and loss A/c	All of the above
104	In case of _____ interest due upto date of transaction is payable extra	no. of shares	ex interest	weighted average	None of the above
105	The receipt of bonus shares is to be shown in _____ column of investment	cost or market value	no. of shares	face value of shares	None of the above

106	Bhagyashree Ltd. holds 14% debentures of the face value of Rs. 5,000 in X. Ltd. interest is payable on 30th June and 31st December every year. the debentures were purchased on 1st July, 2017. Accounts are closed on 31st March every year. the accrued interest on 31st March, 2018 was ?	Rs. 175	Rs. 525	Rs. 325	Rs. 350
107	The Investment Account is prepared in _____ column.	one	three	four	five
108	The difference between cost of debentures and amount received on redemption is debited to profit and loss A/c.	Profit & Loss Account	Profit & Loss Account	debited to profit and loss A/c	All of the above
109	Investment Account is debited for _____ on sale of investment.	profit	loss	cash	All of the above
110	The dividend received for pre-acquisition period is credited to _____	Investment	shares or debentures	brokerage	None of the above
111	The balance in interest column in Investment Account is transferred to _____	Profit & Loss Account	debited to profit and loss A/c	credited to profit and loss A/c	None of the above
112	Ex-interest price includes _____ only.	cost / value	exercised / accepted	Both (a) and (b)	None of the above
113	The value of shares allotted on conversion of debentures is credited in _____	shares or debentures	Debentures	shares or debentures	None of the above
114	When bonus shares are received, ?	nominal value is entered in nominal value column of investment account	cost is entered in cost column of investment account	ignored	debited to cash bank account
115	The right shares are shown in investment only when right is _____.	cost / value	exercised / accepted	Both (a) and (b)	All of the above
116	Cost of investment includes purchase price and _____.	book closure	brokerage	actual	All of the above
117	Interest is always calculated on _____ of securities.	actual	face value	book closure	All of the above
118	Interest is paid to the holder on due date irrespective of his _____ per _____	Investment	Fluctuating	actual	None of the above
119	The interest due upto date of purchase is not included in the total price of investment, if price is ?	fixed price	ex-interest	cum-interest	market price
120	Dividend on shares accrues on the date of _____.	Investment	brokerage	declaration	All of the above
121	Dividend is paid to the holder of shares on the date of _____ irrespective of _____	Fluctuating	Face Value	book closure	All of the above
122	Equity share is a _____ income bearing security.	brokerage	book closure	Fluctuating	All of the above
123	Interest is always calculated on _____ of the security.	Bonus	book closure	Face Value	None of the above
124	As per AS 13 on sale of investment profit or loss is calculated by deducting _____	loss	cash	W.A. cost	None of the above
125	Profit on sale of investment is transferred to _____ A/c.	debited to profit and loss A/c	debited to profit and loss A/c	Profit and Loss A/c	All of the above
126	Current investments are valued at cost or M.V. whichever is _____.	loss	cash	less	All of the above
127	Sale proceeds of rights shares is credited to _____ A/c.	debited to profit and loss A/c	debited to profit and loss A/c	Profit and Loss A/c	None of the above
128	In the case of cum interest price cost of acquisition is cum interest price _____	Interest for expired period	Investment	Fluctuating	None of the above
129	On sale of equity shares the equity shares A/c is credited by _____	Net sale proceeds	Fluctuating	actual	All of the above
130	_____ shares received increase Nominal Value of shares held.	Bonus	loss	cash	None of the above
131	Investments intended to be held for less than 12 months is called _____	annual	current	long-term	trade
132	Fixed return bearing investment are _____.	equity shares	debentures	jewellery	machinery
133	The requirements regarding investment are specified in as _____.	3	11	13	14
134	Rights shares are offered in ratio of _____.	number shares held	face value of shares	cost of shares	paid up value of share
135	The cost of investment sold is to be calculated as per _____ method.	FIFO	LIFO	weighted average	simple average
136	The interest up to the date of transaction is paid in addition to the price _____	cum-interest	ex-interest	fixed price	all types of
137	The interest on bonds is to be calculated on _____.	cost	face value	number of bands	market value
138	If a fund calculates NAV daily, it will include all the transaction concluded upto _____	last week	last two days	previous day	today
139	Asset management company manages _____.	Maturity Period	Fund of funds	Mutual Fund	None of the above

140	Close ended fund has stipulated _____.	No load fund	Debt Securities	Maturity Period	All of the above
141	Growth oriented schemes offer higher _____.	Highly Liquid	Reserve for unrealised gain	Capital Appreciation	All of the above
142	Debt schemes invest in _____.	Market value	Accrual	Debt Securities	None of the above
143	Return in debt schemes is _____.	Load fund	Mutual Fund	Fixed	All of the above
144	The role of an AMC is to act as ?	Promoters	Investment Managers	Distribution Agents	Regulators
145	Hybrid schemes invest in _____.	Accrual	Debt & Equity	Accrual	All of the above
146	Mutual fund investments are _____.	Market value	Highly Liquid	Accrual	All of the above
147	_____ is the highest advantage of investing in mutual funds.	Accrual	Liquidity	Market value	All of the above
148	_____ is the function of M.F.	Open ended, Close ended	Formulation, scheme	Balancesheet, Revenue	None of the above
149	M.F. may be _____ or _____.	Formulation / scheme	Open ended / Close ended	Balancesheet / Revenue	None of the above
150	A mutual fund is not _____.	owned jointly by all investors	a company that manages investment portfolios of high net worth individuals	a pool of funds used to purchase securities on behalf of investors	a collective investment vehicle
151	FOF stands for _____ of _____ scheme.	Fund of funds	Mutual Fund	No load fund	All of the above
152	_____ does not charge for entry or exit.	No load fund	Load fund	Mutual Fund	All of the above
153	_____ charges for entry or exit.	Load fund	Mutual Fund	No load fund	All of the above
154	_____ A/c are included in the Annual Report of a M.F.	Balancesheet / Revenue	Open ended / Close ended	Formulation / scheme	None of the above
155	“Load” cannot be recovered _____.	at the time of the investor's entry into the fund	as a fixed amount each year	at the time the investor exists the fund	from the fund's distribution agent
156	Which of the following asks do not affect a debt fund ?	Default by issuer on payment of interest or principal	Price fluctuations of the debt securities	Share price movements	Interest volatility
157	Investment is carried in the Balance sheet at _____.	Market value	Accrual	Debt Securities	None of the above
158	Interest on Debentures is recognised on _____ basis.	Liquidity	Market value	Accrual	None of the above
159	Appreciation in investment should be carried to _____ Gain A/c.	Brokerage	Non-performing	Reserve for unrealised gain	All of the above
160	On sale of units, appropriate amount is credited to _____ A/c.	Market value	Highly Liquid	Equalisation	All of the above
161	Provision for depreciation is not necessary when investments are valued _____.	Formulation, scheme	Balancesheet, Revenue	Mark, Market	None of the above
162	_____ investment does not provide any return.	Non-performing	Net Asset Value	Mutual Fund	None of the above
163	_____ provides return.	Performing Investment	Brokerage	Non-performing	All of the above
164	_____ is a part of cost of investment.	Brokerage	Accrual	Debt Securities	All of the above
165	_____ schedule of SEBI Regulations prescribes valuation norms.	VIIth	VIth	Vth	None of the above
166	Equity instruments should be valued at _____.	Market value	Net Asset Value	Mutual Fund	All of the above
167	Debt instrument should be valued at _____ to _____.	Reserve for unrealised gain	Yield to Maturity	Non-performing	All of the above
168	Investment in call money is valued at _____.	Brokerage	Cost plus Accrual	Equalisation	None of the above
169	The organisation that manages the investment is known as _____.	Investment Company	Asset Management Company	Management Company	None of the above
170	On the basis of structure mutual funds are classified as _____.	Open Ended Scheme	Close Ended Scheme	Interval Funds	All of the above

171	A closed end fund has a	stipulated maturity period	Fixed maturity period	Fluctuating maturity period	None of the above
172	Growth oriented schemes offer	High source of income	Lower source of income	Average source of income	None of the above
173	Growth oriented schemes offer	Rapid Capital Appreciation	Low Capital Appreciation	Average Capital Appreciation	None of the above
174	Debt schemes invest in	Bonds	Equity Shares	Preference Shares	None of the above
175	Hybrid schemes invest in	Equity Shares	Debentures	Equity Shares and Debenture	None of the above
176	The value calculated to measure net assets	Net Asset Value	Yield Value	Rate of Return	None of the above
177	The advantage of investing in mutual fund is	Diversification	Liquidity	Convenience	All of the above
178	Mutual fund investments are	Highly Liquid	Less Liquid	Not Liquid	None of the above
179	Mutual fund costs include	Operating Expenses	Sales Charges	Advertising Charges	Both (a) and (b)
180	Various measures of portfolio performance include	Sharpe's Ratio	Treynor's Ratio	Jensen's Differential Measure	All of the above
181	M.F. performs the functions	Formulation of scheme	Sale of units	Investment by AMC	All of the above
182	M.F. may be	Open-Ended	Close-Ended	Balanced Funds	All of the above
183	The M.F. which enables the investors to have greater diversification is	FOF Scheme	Growth Equity Scheme	Loan Fund	Tax Saving Scheme
184	IFRS enhances _____ in accounting principles.	Trading	Override	Uniformity	None of the above
185	Financial statements based on IFRS become _____.	Override	Trading	Reliable	None of the above
186	IFRS are applicable to All the entries having networth in excess of ?	Rs. 500 crores	Rs. 1000 crores	Rs. 1500 crores	Rs. 2000 crores
187	IFRS are issued by ?	International Accounting Standards Board	Institute of Chartered Accountants of India	Foreign Accounting Standards Board	Institute of Company Secretaries of India
188	Companies having a net worth of Rs. 500 crore and whose equity shares are listed on any stock exchange in India must implement Ind AS for accounting period beginning on or after?	1st April,2014	1st April,2015	1st April,2016	1st April,2017
189	Companies Act _____ IFRS.	Expected Realisable	Uniformity	Override	None of the above
190	A core group is constituted by _____.	IAS	IFRS	MCA	None of the above
191	Companies having net worth in excess of Rs. _____ crore are covered	Rs. 1,000 crore	Rs. 2,000 crore	Rs. 500 crore	Rs. 3,000 crore
192	Under IFRS assets are classified as _____ and _____.	Financial, Current, Non-current	Financial Reporting	Initial, Planning, Execution	None of the above
193	Living animals are classified as _____ assets.	Financial	Biological	Trading	None of the above
194	It is one of the benefit of Adopting IFRS for Indian Companies ?	Escape from Multiple Reporting	No Audit Required	Better Liquidity	Improved company Performance
195	Contractual obligations are _____ liabilities.	Trading	Financial	Biological	None of the above
196	Current assets are primarily held for _____.	Biological	Trading	Financial	None of the above
197	Fair value is the _____ value of assets.	Uniformity	Expected Realisable	Override	None of the above
198	The process of convergence to IFRS include _____ and _____.	Financial, Current and Non-current	Financial Reporting	Initial, Planning and Execution	None of the above
199	US GAAP are issued by	ICAI	IASB	FASB	IASC
200	Swami Ltd is required to implement Ind AS for Accounting Period beginning 1 st April, 2016. Its Holding company ABC Ltd must implement Ind As for Accounting period beginning on ?	1st April,2015	1st April,2016	1st April,2017	Not required to implement