

The Bodwad Sarvajanik Co-Op. Education Society Ltd., Bodwad
Arts, Commerce and Science College, Bodwad.

Question Bank

Class T.Y.B. Com Sub. Advanced Accounting II. Sem. VI

1	Holding Company Share in capital profits of Subsidiary company is adjusted in a) Cost of Control b) Shown on Asset side of Balance sheet c) Revenue profit d) None of these
2	Holding Company Share in Revenue profits of Subsidiary company is adjusted in a) Cost of Control b) Shown on Asset side of Balance sheet c) Profit and loss account d) None of these
3	Unrealized profit on goods sold and included in stock is deducted from a) Capital profit b) Revenue Profit c) Fixed Assets d) Minority Interest
4	Consolidated financial statement are prepared on the principle a) In form the companies are one entity; in substance they are separate b) In form the companies are separate; in substance they are on c) In form and substance, the companies are one entity d) In form and substance, the companies are separate
5	Minority Interest includes a) Share in share capital b) Share in capital profit c) Share in Revenue profit d) All of the above
6	The time interval between the date of acquisition of shares in subsidiary company and date of balance sheet of Holding Co. is known as a) Pre-acquisition Period b) Post-acquisition Period c) Pre-commencement Period d) Pre-incorporation Period
7	Pre-acquisition dividend received by holding company is credited to a) Profit and loss account b) Capital profit c) Investment account d) None of these
8	Post-acquisition dividend received by holding company is debited to a) Bank account b) Profit and loss account c) Investment account d) None of these
9	Preparation of consolidated Balance Sheet of holding company and its subsidiary company as per a) AS-11 b) AS-22 c) AS-21 d) AS-23

10	The share of outsiders in the net assets in subsidiary company is known as under a) Outsiders liability c) Subsidiary's Co's liability	b) Assets d) Minority interest
11	Pre-Acquisition profit in subsidiary company is considered as a) Revenue Profit c) Goodwill	b) Capital Profit d) None of the above
12	Excess of cost of investment over paid up vale of the shares is considered as a) Goodwill c) Minority Interest	b) Capital Reserve d) None of these
13	Excess of paid up vale of the shares over cost of investment is considered as a) Goodwill c) Minority Interest	b) Capital Reserve d) None of these
14	Profit earned before acquisition of share is treated as a) Capital Profit c) General Reserve	b) Revenue Profit d) Revaluation loss
15	Profit earned after acquisition of share is treated as a) Capital Profit c) General Reserve	b) Revenue Profit d) Revaluation loss
16	Preparation of Consolidated Statement as per AS-21 is a) Optional c) Mandatory for private Ltd	b) Mandatory for listed Companies d) Partnership Firm
17	Performance reporting, participative management, management by exception, motivation to working people are features of a) Management Accounting c) Responsibility Accounting	b) Government Accounting d) Lease Accounting
18	Responsibility centers are divided into _____ types a) 4 b) 3 c) 2 d) 1	
19	The responsibility account stress on – a) Decentralization b) Centralization c) Both a and b d) None of the above	

20	In responsibility account system— a) Budget are prepared b) Actual performance is recorded c) The performance is reported d) all of above
21	The responsibility account emphasizes the performance of – a) System b) Men c) Both d) None of above
22	The responsibility account is also called – a) Profitability account b) Activity account c) Both d) None of above
23	Responsibility account is a part of – a) Financial account b) Management account c) Mechanized account d) None of above
24	The responsibility account is a controlling tool for a) Top level management b) Middle level management c) Lower level management d) None of above
25	Which of the following system emphasized on cost control? a) Cost accounting b) Responsibility accounting c) Financial accounting d) None of above
26	The responsibility center comes under the responsibility of a) Cost accountant b) Management accountant c) Responsibility manager d) None of above
27	The subdivision of responsibility Centre is a) Expenses Centre b) Profit Centre c) Investment Centre d) All of the above
28	The accounting department in an organization is a) Investment Centre b) Expenses Centre c) Profit Centre d) All of above
29	What is the main advantage of responsibility accounting a) Improve performance b) Its fixed responsibility c) Helpful in decision making d) All of above

30	<p>The responsibility account is a system by which the responsibility is assigned to the concerned person –</p> <p>a) To increase sales b) To control cash c) To increase production d) All of the above</p>
31	<p>The insurance claim provides the cover of</p> <p>a) Tangible assets b) Intangible assets c) Fictitious assets d) All of above</p>
32	<p>The difference between standard turnover and actual turnover during the indemnity period is</p> <p>a) Short sales b) Actual sales c) Total sales d) None of above</p>
33	<p>A fire insurance policy is taken out to indemnity</p> <p>a) Capital losses and revenue losses of tangible assets b) Revenue losses of tangible assets c) Capital losses of tangible assets d) None of the above</p>
34	<p>Stock of goods destroyed by fire is 9,00,000 stock of goods salvage is 1,00,000 value of insurance policy is 8,00,000 there is an average clause in policy the amount of claim is</p> <p>a) 9.00.000 b) 8.00.000 c) 7.20.000 d) 7,00,000</p>
35	<p>For the year 2012,2013,2014 if the rate of gross profit were 15, 20 and 18 percent respectively then the rare of average gross profit in 2015 will be</p> <p>a) 15% b) 18% c) 17.67% d) 20%</p>
36	<p>Opening stock 13,500, purchases 82,500, sales 1,20,000 and stock salvaged 1,260 The rate of gross profit 50% on cost then stock destroyed by fire will be</p> <p>a) 14,750 b) 27,740 c) 36,000 d) None of above</p>
37	<p>Fire insurance policy can be taken for –</p> <p>a) Loss of stock b) Loss of profit c) Both a and b d) Life of owner</p>

38	The stock which is rescued from fire is – a) Scrap b) Defective c) Salvaged d) Claim
39	Closing stock on the date of fire is 50,000 and the salvage stock is 23,000 the claim is – a) 23,000 b) 27,000 c) 50,000 d) None of above
40	Memorandum trading account is prepared for to know a) Claim b) Closing stock c) Gross profit d) All of above
41	Memorandum trading account is prepared for period from a) 1 st January to 31 st December b) 1 st April to 31 st march c) Opening date of accounting period to date of fire d) All of above
42	Which one of the following is not true about a dependent branch? a) These branch sells only goods received from H.O. b) All expenses of branch are paid by H.O. c) Such branch maintains their own books of account d) None of above
43	Which one of the following is not true about a independent branch? a) These branches can purchase goods from open market b) They maintain complete set of books of account c) They also maintain H.O. account d) They do not charge depreciation on fixed asset
44	When branch A send goods to Branch B in the books of branch A debit given to a) Head office account b) Branch B account c) Both a and b d) None of above
45	In the case of dependent branch Branch fixed asset account maintain by a) Branch b) Head office c) Department d) None of above
46	Central office controlling branches is known as a) Head office b) Branch c) Custodian d) Apex branch

47	Mainly there are --- types of branches a) Two b) Three c) Four d) infinitely
48	Goods in Transaction is recorded a) In the books of H.O b) Either in the book of H.O. or Branch but only at one place c) In the books of Branch d) In the Books of Both
49	Salary to H.O. Salesman paid by branch, recorded in the Books of Branch by debiting to a) Salary account b) Cash account c) H.O. account d) None of above
50	While incorporating Trial balance – which account is credited for transferring by Gross Profit..... a) Branch Trading Account b) Branch Profit & Loss Account c) H.O. Account d) Other
51	While Incorporating indirect income in Branch Trail Balance, which account is credited a) Branch Trading Account b) Branch Profit & Loss Account c) H.O. Account d) Other
52	The institute which deal in activities other than trade are called a) Trading concern b) Non trading concern c) Manufacturing concern d) None of above
53	The record of cash kept by the non-trading concern a) Receipt and payment account b) Income and expenditure account c) Profit and loss account d) None of above
54	The account prepared to compute the surplus or deficit of club or society is termed a) Revaluation account b) Realisation account c) Income and expenditure account d) None of above
55	The balance sheet of hospital does not contain the item of a) Cash b) Owners' equity c) Building d) Stock

56	A fee paid by the members of the club at the time of becoming a member is called a) Grant b) Subscription c) Entrance fee d) Donation
57	Sale of old newspaper should be treated as a) Liability b) Asset c) Income d) Expenditure
58	A not for profit organization includes a) Religious organization b) Trade union c) Club d) All of above
59	A not for profit organization prepares a) Trading account b) Receipt and payment account c) Income and expenditure account d) a and b both
60	Subscription received in advance is a) An asset accounts b) A liability accounts c) An income d) An expenditure
61	Life member is a a) Liability b) Asset c) Expenses d) None of above
62	When the expenses is less than the amount of sports fund, the item are shown in a) Balance sheet b) Receipt and payment account c) Both a and b d) None of above
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