

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

Question Bank

Class S.Y.B. Com Sub. Corporate Account. Sem. IV

1	As per section 68 of company act 2013, A company can buy back its own shares out of a) Reserves b) Securities premium c) Fresh issue d) All of above
2	Which of the following statement is false? a) Buy back must be authorized by articles of company b) A special resolution must be passed c) Shares should be partly paid d) All of above
3	Maximum buy back limit in any year is --- of total paid capital of co. a) 10% b) 20% c) 25% d) No limit
4	According to section 68 buy back can be made from a) Existing share holders b) Open market c) Both a and b d) None of above
5	Further issue of shares after buy back can be made for a) Conversion of debentures b) Conversion of preference shares c) Bonus issue d) All of above
6	A company can not buy back its shares a) Through its subsidiary b) Through investment c) Both a and b d) None of above
7	Which of the following is correct? a) Buy back must be authorized by articles of company b) A special resolution must be passed c) a and b both d) None of above

8	<p>If shares are buy back out of free reserve then face value of share to be transfer to</p> <p>a) Capital reserve account b) General reserve account c) Capital redemption reserve account d) None of above</p>
9	<p>Premium payable on buy back is adjusted out of</p> <p>a) Securities premium b) General reserve c) Both a and b d) None of above</p>
10	<p>For cancellation of share at the time of buy back</p> <p>a) Equity share capital account is debited and shareholder account is credited b) Shareholder account is debited and Equity share capital account is credited c) Both a and b d) None of above</p>
11	<p>As per SEBI guidelines modes of buy back is permissible</p> <p>a) From the existing shareholders on proportionate bases b) From the open market through book building process c) From odd lots that is to say listed shares d) All of above</p>
12	<p>Accounting standard board of India was established in the year</p> <p>a) 1970 b) 1972 c) 1973 d) 1977</p>
13	<p>Accounting standard of India was set up by</p> <p>a) ICAI b) ICICI c) HDFC d) IDBI</p>
14	<p>How many mandatory accounting standards in India in 2020?</p> <p>a) 29 b) 30 c) 31 d) 32</p>
15	<p>Which one of the accounting standards is not mandatory?</p> <p>a) AS 30 b) AS 31 c) AS 32 d) All of above</p>

16	<p>What is the aim of accounting standard in India?</p> <p>a) To make financial statement more comparable</p> <p>b) To ensure uniformity in account policy</p> <p>c) To guide the judgement of professional account</p> <p>d) All of above</p>
17	<p>AS 4 is applicable for</p> <p>a) Contingencies and event occurring after the balance sheet date</p> <p>b) Net profit or loss for the period period prior items and changes in accounting policies</p> <p>c) Provision contingent liabilities and contingent assets</p> <p>d) All of above</p>
18	<p>AS 5 is applicable for</p> <p>a) Contingencies and event occurring after the balance sheet date</p> <p>b) Net profit or loss for the period period prior items and changes in accounting policies</p> <p>c) Provision contingent liabilities and contingent assets</p> <p>d) All of above</p>
19	<p>AS 29 is applicable for</p> <p>a) Contingencies and event occurring after the balance sheet date</p> <p>b) Net profit or loss for the period period prior items and changes in accounting policies</p> <p>c) Provision contingent liabilities and contingent assets</p> <p>d) All of above</p>
20	<p>AS 9 is applicable for</p> <p>a) Contingencies and event occurring after the balance sheet date</p> <p>b) Net profit or loss for the period period prior items and changes in accounting policies</p> <p>c) Provision contingent liabilities and contingent assets</p> <p>d) None of above</p>
21	<p>The accounting standards are mandatory for</p> <p>a) Sole traders</p> <p>b) Firms</p> <p>c) Companies</p> <p>d) Societies</p>
22	<p>profit prior to incorporation arises when</p> <p>a) Company is dissolved and new company is formed</p> <p>b) A new company is formed is place of partnership firm</p> <p>c) When there is an amalgamation of companies</p> <p>d) Running business is taken over by promoters of company</p>
23	<p>profit before incorporation is of</p> <p>a) Capital nature</p> <p>b) Revenue nature</p> <p>c) Both capital and revenue nature</p> <p>d) General reserves</p>

24	<p>profit prior to incorporation is</p> <ul style="list-style-type: none"> a) Credited to capital reserve b) Debited to goodwill c) Profit & loss statement d) General reserve
25	<p>Securities premium account can be used for</p> <ul style="list-style-type: none"> a) Paying tax liability b) Paying dividend on share c) Allowing discount in reissue of forfeited shares d) To write off preliminary exp.
26	<p>Rent is divided in the ratio while calculating pre- incorporated profit.</p> <ul style="list-style-type: none"> a) Time ratio b) Sales ratio c) Adjusted time ratio d) Purchase ratio
27	<p>Loss prior to incorporation is to be shown in the assets side of the balance sheet under the heading-----</p> <ul style="list-style-type: none"> a) Fixed assets b) Loans and advances c) Current assets d) Miscellaneous
28	<p>Electricity charges are to be apportioned between pre and post incorporation periods in</p> <ul style="list-style-type: none"> a) Time ratio b) Sales ratio c) Adjusted time ratio d) Purchase ratio
29	<p>Pre incorporation loss may be treated as goodwill and debited to ----- -account</p> <ul style="list-style-type: none"> a) Goodwill b) Loss c) Profit and loss d) None of the above
30	<p>Profit prior to incorporation are -----profits and are not available for dividend</p> <ul style="list-style-type: none"> a) Capital b) Revenue c) All the above d) None of the above
31	<p>Calculate goodwill by super profit method if capital employed Rs <u>500,000</u> average profit is Rs <u>45,000</u> expected rate of return is 10 percent</p> <ul style="list-style-type: none"> a) Zero b) <u>100</u> c) <u>45,000</u> d) 50,000

32	<p>Goodwill is defined as -----</p> <p>a) Intangible asset</p> <p>b) Fictitious asset</p> <p>c) Current asset</p> <p>d) Liquid asset</p>
33	<p>Under the average profit basis goodwill is calculated by -----</p> <p>a) Number of years purchases multiplying by average profit</p> <p>b) Number of years purchases multiplying by super profit</p> <p>c) Number of years purchases multiplying by total profit</p> <p>d) Number of year purchases multiplying by 100 percent profit</p>
34	<p>Weighted average method is used for calculation of goodwill ----</p> <p>a) When profit is not equal</p> <p>b) When profit show a trend</p> <p>c) When profit is fluctuating</p> <p>d) None of above</p>
35	<p>Goodwill is not valued when ----</p> <p>a) Amalgamation takes place</p> <p>b) One company take over another company</p> <p>c) A partner is admitted</p> <p>d) None of above</p>
36	<p>The formula of super profit calculation is -----</p> <p>a) Average profit minus expected profit</p> <p>b) Expected profit minus average profit</p> <p>c) Average profit plus expected profit</p> <p>d) Expected profit plus average profit</p>
37	<p>Find out goodwill capitalization method if total assets Rs <u>1800,000</u> total liabilities Rs <u>1000,000</u> average profit is Rs <u>116,000</u> expected rate of return is <u>12.5</u> percent</p> <p>a) <u>128,000</u></p> <p>b) <u>116,000</u></p> <p>c) <u>100,000</u></p> <p>d) None of above</p>
38	<p>A firm's goodwill is not affected by -----</p> <p>a) Location of firm</p> <p>b) Reputation of firm</p> <p>c) Better customers service</p> <p>d) None of above</p>
39	<p>The excess amount which the firm can get on selling on its asset over the saleable value of the asset is called</p> <p>a) Surplus</p> <p>b) Super profit</p> <p>c) Goodwill</p> <p>d) Reserve</p>

40	Under capitalization method the formula for calculation for the goodwill is a) Super profit multiple by rate of return b) Super profit divided by rate of return c) Average profit multiple by rate of return d) Average profit divided by rate of return
41	Under The average profit basis goodwill is calculated by a) Number of years purchases multiplying by average profit b) Number of years purchases multiplying by super profit c) Number of years purchases multiplying by total profit d) Number of years purchases multiplying by 100 percent profit
42	Goodwill is not valued when a) Amalgamation takes place b) One company take over another company c) A partner is admitted d) None of above
43	Find the market value of share for 5000 equity shares of Rs. 100 each Rs. 80 paid up Rs. 400,000. Average profit Rs. 90,000. General reserve Rs. 20,000. Provision for taxation Rs. 10,000. Expected rate of return 10 percent. a) Rs. 100 b) Rs. 90 c) Rs. 180 d) Rs. 120
44	Good will is defined as a) Intangible assets b) Fictitious assets c) Current assets d) Liquid assets
45	Market value of share is calculating comparing the ----- a) Expected rate of dividend of with normal rate of dividend b) Expected rate of dividend with actual profit c) Expected rate of dividend with future profit d) None of the above
46	Yield value depend on ----- a) Future maintainable profit b) Paid up equity capital c) Normal rate of return d) None of above
47	Quoted shares are those shares which are ----- a) Listed on stock exchange b) Quoted daily c) Quoted by seller d) Quoted by the buyer

48	Formula for valuation of shares under net asset method is ----- a) Equity shareholders fund divided by no. of equity shares b) Equity shareholders fund multiply by no of equity shares c) Equity shareholders fund added in no of equity shares d) Equity shareholders fund subtracted by no of equity share
49	Fair value of share is the average of ----- a) Expected rate of dividend and normal rate of dividend b) Expected rate of dividend and actual profit c) Expected rate of dividend and future profit d) Intrinsic value and yield value
50	Under net asset method value of shares depend on a) Net asset available to equity share holders b) Net asset available to debenture holders c) Net asset available to preference share holders d) None of the above
51	Yield value depend on ---- a) Future maintainable profit b) Paid up equity capital c) Normal rate of return d) None of above
52	Companies Act 2013 is an Amendment to the companies Act _____. a) 1947 b) 1990 c) 1956 d) 1979
53	_____refers to the total amount of money which is obtained from subscribers on the shares of company. a) Shares capital b) Asset c) Liabilities d) profit
54	Final a/c consists of trading a/c, profit & loss a/c and _____. a) Realization a/c b) balance sheet c) Revaluation a/c d) cash flow statement
55	Sundry creditor is a _____type of liability. a) Current b) Fixed c) Long term d) Short term
56	Debtors are shown under _____side of balance sheet. a) Right (Asset) b) left (liabilities) c) Both a and b d) None of the above

57	The company formed by the special Act of ligatures of parliament is known as a) Public Company b) registered company c) statutory company d) chartered company
58	What is the minimum required paid up capital of a public company a) 10lakhs b) 5lakhs c) 15lakhs d) 25 lakhs
59	What is the minimum required paid up capital of a public company a) 1lakhs b) 5lakhs c) 15lakhs d) 2 lakhs
60	The amount of capital with which the company intends to get registered is known as a) issued capital b) subscribed capital c) authorized capital d) called-up capital
61	Which of the following statement is false? a) A company is a legal entity quite distinct from its members. b) A company can buy its own share c) A shareholder is the agent of the company d) Same person can agent and creditor of the company
62	Which of the following are the characteristics of a company? a) Liability of the members is limited up to the face value of shares held by them b) It is a voluntary association of persons. c) A company is a separate body can sue and be sued in its own name d) Perpetual succession e) All of the above
63	Interest on debenture is a) Adjustment of profit b) Appropriation of profit c) Charge on profit d) None of these
64	When own debentures are cancelled any profit on cancellation is transferred to a) General reserve b) Capital reserve c) Profit or loss d) None of these
65	After realizing all investments, the balance in the sinking fund a/c is transferred to a) Profit and loss account b) Debenture account c) Capital reserve d) Sinking fund account

