

TYBCOM. Academic year 2019-20
FINANCIAL ACCOUNTING (Accounts I) semester VI

Multiple Choice Questions:

1. When transactions of foreign exchange translated
 - a. On the date of purchase
 - b. On the date of balance sheet
 - c. On the date of settlement
 - d. At the mid of the year

2. Average rate is
 - a. the ratio of exchange of two currencies.
 - b. is the currency used in presenting the financial statement.
 - c. Exchange rate at the Balance Sheet date.
 - d. is the mean of the exchange rates in force during the period

3. Non monetary items are valued at
 - a. Current price
 - b. Market price
 - c. Fluctuate price
 - d. Historical cost

4. On 1/1/2007, A Ltd. imported goods of \$ 2,000. On 30th March, 2007, A Ltd. made the payment. The exchange rate on 1/1/2007 is Rs. 49.00 and on 30/3/2007 Rs. 47.60. The amount transferred to Profit & Loss A/c on year end.
 - a. P & L A/c– Debit side Rs.2,800
 - b. P & L A/c- Credit side Rs.2,800
 - c. P & L A/c- Debit side Rs.5,600
 - d. P & L A/c- Credit side Rs.5,600

5. Nasik Ltd. exported goods worth \$ 5,000 on 27th November, 2007 and payment received on 12th April, 2008. The exchange rates:
27th November, 2007 – Rs. 47.00, 31st March, 2008 – Rs. 46.50, 12th April, 2008 – Rs. 48.00
On 31st March, 2008 Debtor's Account will be
 - a. Credited with Rs. 2,500
 - b. Debited with Rs. 2,500
 - c. Credited with Rs. 5,020
 - d. Debited with Rs. 2,050

6. R Ltd. issued a debenture of Rs. 100 each at Rs. 90. The underwriting commission will be paid on
 - a. Rs. 100
 - b. Rs. 95
 - c. Rs. 105
 - d. Rs. 90

7. On 9th January, 2016, Divya Ltd. exported goods of \$ 1,40,000 to Mark Ltd., USA (exchange rate Rs. 61 per \$ on date of export). On 18th Feb,2016,payment received in full and exchange rate was Rs. 61.20 per \$.
F.E.R. Account amounted to
 - a. Rs. 30,000
 - b. Rs. 28,000
 - c. Rs. 20,000
 - d. Rs.14,000

8. Two companies are getting amalgamated to secure an advantage like
 - a. Avoiding competition
 - b. Decreasing efficiency
 - c. Economies of small scale production
 - d. Reduce capital

9. Maximum number of partners in LLP is
 - a. 20
 - b. 50
 - c. 100
 - d. No Limit

10. Which of the following is a Statutory reserve

- a. Exports profit reserve
- b. Investment Fluctuation reserve
- c. General reserve
- d. Capital reserve

11. The asset which is not taken under the Net assets method of calculating purchase consideration is

- a. Loose Tools
- b. Bills Receivables
- c. Machinery
- d. Preliminary Expenses

12. 'Pooling of interest' is a method of

- a. Charging Depreciation
- b. Accounting for Amalgamation
- c. Calculation of Purchase Consideration
- d. Liquidation of the companies.

13. In which of the following methods, the purchase consideration is calculated on the basis of agreed value of the shares of the transferor company?

- a. Net Asset Method
- b. Net Payment Method
- c. Intrinsic Value Method
- d. Liquidation Method

14. Post amalgamation, bank balance is to be recoded under the head

- a. Cash and equivalent to cash
- b. Trade receivables
- c. Inventories
- d. Loans and advances

15. Total assets taken over rupees 9,00,000 and total liabilities taken over is rupees 7,00,000, then purchase consideration as per Net Asset Value method is

- a. Rupees 3,00,000
- b. Rupees 16,00,000
- c. Rupees 7,00,000
- d. Rupees 2,00,000

16. Accounts of LLP are to be audited by

- a. Chartered Accountant
- b. Cost Accountant
- c. Company Secretary
- d. Master of Commerce

17. Marked applications refers to

- a. Applications bearing the seal of underwriter
- b. Applications bearing the signature of applicants
- c. Applications issued by company
- d. Applications issued by SEBI

18. Agreement for LLP is in Form No.

- a. 3
- b. 8
- c. 9
- d. 11

19. List H shows _____ Account.

- a. Deficiency or Surplus
- b. Preferential Creditors
- c. Fixed Assets Accounts
- d. Unsecured creditors

20. As per SEBI guidelines, the underwriting commission on equity shares

- a. 10 % of the issue price
- b. 5 % of the issue price
- c. 2.5 % of the issue price
- d. 2 % of the issue price