

1. Partnership deed should be drafted and prepared as per:

1. Provision of Partnership Act
2. Companies Act
3. Registrar of Firms
4. Provisions of the Stamp Act

2. If Average Capital Employed in a firm is ₹9,00,000; Average Profits ₹2,80,000 and Normal Rate of Return is 20%, then value of goodwill as per capitalisation of super profits is:

1. ₹1,24,000
2. ₹50,000
3. ₹4,50,000
4. ₹36,000

3. On retirement/death of a partner, the remaining partners who have gained due to change in profit sharing ratio should compensate the:

1. No partner
2. Retiring partner only
3. Remaining partners only
4. Gaining partners as well as retiring partner

4. Lisa, Monika and Nisha share profits and losses in the ratio 2 : 2 : 1.

Capitals: ₹50,000, ₹50,000 and ₹25,000 respectively.

Monika died and balance in reserve on that date was ₹15,000. Goodwill of the firm ₹30,000 and profit on revaluation ₹7,050.

What amount will be transferred to Monika's Executors Account?

1. ₹50,820
2. ₹70,820
3. ₹8,820
4. ₹60,820

5. Shweta, Shreya and Shaniya share profits in ratio 6 : 3 : 2. Shaniya retired.

Capital ₹4,50,000. Shaniya took 25% furniture valued ₹52,000. Balance transferred to loan account.

Total value of furniture was:

1. ₹2,58,000
2. ₹3,60,000
3. ₹3,68,000
4. ₹4,92,000

6. On dissolution of partnership, goodwill account is transferred to:

1. Debit side of Realisation Account
2. Credit side of Realisation Account
3. Credit side of Partner's Capital/Current Account
4. Debit side of Partner's Capital/Current Account

7. On dissolution of partnership firm out of total debtors ₹2,50,000, ₹10,000 became bad and the rest realised 70%. Bank A/c will be debited by:

1. ₹1,75,000
2. ₹1,08,000
3. ₹1,62,000
4. ₹1,68,000

8. Rohit paid realisation expenses of ₹10,000 and received remuneration ₹12,000. Expenses were borne by Rohit. Amount transferred to his Capital A/c will be:

1. ₹12,000
2. ₹10,000
3. ₹22,000
4. ₹2,000

9. Furniture sold for ₹7,000 (Book value ₹10,000). Amount shown in Receipts and Payments Account will be:

1. ₹10,000 on receipts side
  2. ₹7,000 on receipts side
  3. ₹3,000 on payment side
  4. ₹3,000 on receipts side
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10. If there appears a Tournament Fund, expenses incurred on tournament activities will be shown:

1. Debit side of Income & Expenditure A/c
  2. Credit side of Income & Expenditure A/c
  3. By adding to Tournament Fund
  4. By deducting from Tournament Fund
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11. Find cost of medicines consumed:

Payment to creditors = ₹3,70,000  
Creditors on 1-4-2020 = ₹25,000  
Creditors on 31-3-2021 = ₹17,000  
Opening stock = ₹62,000  
Closing stock = ₹54,000  
Advance to suppliers: ₹11,000 → ₹18,000

Options:

1. ₹3,63,000
  2. ₹2,63,000
  3. ₹3,36,000
  4. ₹2,36,000
- 

12. AB Co. purchased assets worth ₹28,80,000. Debentures of ₹100 each issued at 4% discount in full satisfaction of purchase consideration. Number of debentures issued:

1. 30,000
  2. 28,800
  3. 32,000
  4. 27,693
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13. The need of codification is:

1. To secure accounts and reports
  2. Easy processing of data and keeping proper records
  3. Encryption of data
  4. Generation of mnemonic codes
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14. The key combination which collapses the ribbon in MS-Excel is:

1. Ctrl + F3
  2. Ctrl + F1
  3. Ctrl + F7
  4. Ctrl + F5
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15. Legend can be repositioned on the chart:

1. Anywhere
  2. On the corner only
  3. On the right side only
  4. On the bottom of X-axis
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16. Common fields used in a relationship between tables are called:

1. Table fields
  2. Joint fields
  3. Main fields
  4. Key fields
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17. Security Premium in Balance Sheet appears under:

1. Reserve and Surplus
  2. Share Capital
  3. Equity Share Capital
  4. Shares and Liabilities
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18. An annual report is furnished by a company to its:

1. Directors
2. Auditors
3. Shareholders
4. Management

19. Common Size Statements are also known as:

1. Dynamic analysis
2. Horizontal analysis
3. Vertical analysis
4. External analysis

20. Aradhy Ltd. has debt-equity ratio 2:5. Which transaction will not affect the ratio?

1. Purchase machinery by bank loan ₹1,20,000
2. ₹20,000 paid to creditors
3. Conversion of ₹1,00,000 debentures into equity shares
4. Sale of furniture ₹50,000 for ₹55,000

21. Other income = ₹5,00,000 which is 25% of Revenue from operations.

Employee benefit expense = 30% of revenue.

Tax rate = 40%.

Net profit after tax will be:

1. ₹10,25,000
2. ₹11,40,000
3. ₹10,75,000
4. ₹10,35,000

22. Pick the odd one out while calculating Cash Flow from Financing Activities:

1. Issue of shares
2. Repayment of bank loan

3. Redemption of debentures

4. Rent received

23. Identify the cash transaction:

1. Purchase machinery by issue of preference shares
2. Redemption of debentures by issuing equity shares
3. Issue of debentures as collateral security
4. Purchase of land by taking loan

24. Acquire machinery ₹5,00,000 paying 50% by cheque and executing bond for balance.

Nature of activity under cash flow:

1. Inflow operating ₹2,50,000
2. Outflow investing ₹5,00,000
3. Inflow investing ₹5,00,000
4. Outflow investing ₹2,50,000

25. A, B and C share profits in ratio 3 : 2 : 1. They decide to share equally.

General reserve ₹60,000. Goodwill valued ₹1,20,000.

Adjustment entry is:

1. A's Capital A/c Dr ₹1,80,000
2. A's Capital A/c Dr ₹1,80,000
3. C's Capital A/c Dr ₹30,000
4. C's Capital A/c Dr ₹1,80,000

26. According to Partnership Act, 1932, assets on dissolution are applied in the following order:

- (A) Payment to partners capital
- (B) Payment of secured debts
- (C) Payment of partners loans
- (D) Distribution of surplus among partners
- (E) Payment of firm debts

Correct order:

1. C, B, E, A, D
2. B, E, C, A, D
3. A, B, C, D, E
4. D, C, B, A, E

(D) Debit appropriations

(E) Interest on drawings / guarantee adjustments

Options:

1. A, B, C, D, E
2. C, A, D, E, B
3. B, C, E, A, D
4. B, C, D, A, E

27. Sequence for calculating goodwill under super profit method:

- (A) Calculation of Super Profit
- (B) Capital Employed
- (C) Normal Profit
- (D) Average Profit
- (E) Goodwill

Options:

1. D, C, A, B, E
2. D, B, C, A, E
3. D, A, C, B, E
4. D, C, B, A, E

30. Correct sequence of issue of shares:

- (A) Receipt of applications
- (B) Issue of prospectus
- (C) Allotment of shares
- (D) Making call money due
- (E) Receiving call money

Options:

1. A, B, C, D, E
2. B, A, C, D, E
3. B, C, D, A, E
4. B, D, A, C, E

28. Correct sequence during retirement of partner:

- (A) New Balance Sheet
- (B) Transfer to retiring partner loan
- (C) Calculation of gaining ratio
- (D) Partners' capital account
- (E) Revaluation account

Options:

1. C, D, E, A, B
2. C, E, D, B, A
3. A, B, C, D, E
4. C, E, B, A, D

31. Net Capital Employed is equal to:

- (A) Fixed Assets + Current Assets – Long-term liabilities
- (B) Non-current Assets + Current Assets – Current liabilities
- (C) Fixed Assets + Current Assets – Equity
- (D) Equity + Debt
- (E) Current Assets – Current Liabilities

Choose the correct answer:

1. (A) and (B) only
2. (B) and (D) only
3. (C) and (D) only
4. (A) and (D) only

29. Steps in preparing Profit & Loss Appropriation Account:

- (A) Transfer net profit
- (B) Divide profit among partners
- (C) Ascertain net profit

32. On retirement, the retiring partner's capital account will be credited with:

- (A) His/her Capital Balance
- (B) His/her share of Goodwill
- (C) Share of goodwill of remaining partners
- (D) His/her share of Reserve
- (E) His/her Drawings

Choose the correct answer:

1. (A), (B) and (C) only
  2. (A), (B) and (D) only
  3. (B), (C) and (D) only
  4. (C), (B) and (D) only
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33. Debentures issued for consideration other than cash include debentures:

- (A) Issued to bank as additional security
- (B) Issued to vendor
- (C) Issued to public
- (D) Issued to creditor
- (E) Issued for cash

Choose the correct answer:

1. (C), (B), (A) and (E) only
  2. (A), (B) and (D) only
  3. (A), (D) and (C) only
  4. (B), (D) and (E) only
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34. Current liabilities include:

- (A) Trade receivables
- (B) Unclaimed dividend
- (C) Interest accrued but not due on loan
- (D) Acceptances
- (E) 12% debentures redeemable after four years

Choose the correct answer:

1. (A), (B) and (C) only
  2. (B), (C) and (D) only
  3. (A), (C) and (D) only
  4. (A), (B) and (D) only
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35. Cash equivalents refer to:

- (A) Demand deposits with bank
- (B) Bills receivables
- (C) Treasury bills
- (D) Commercial paper
- (E) Marketable securities

Choose the correct answer:

1. (A), (C), (D) and (E) only
  2. (A), (B), (C) and (D) only
  3. (A), (B), (D) and (E) only
  4. (B), (C), (D) and (E) only
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36. Match List-I with List-II.

List-I

List-II



(A) Application money should be at least \_\_\_% of face value (I)

(B) Call should not exceed \_\_\_% of face value (II)

(C) Minimum subscription cannot be less than \_\_\_% (III)

(D) Interest on call-in-arrears

(I)

38. Match the ratios with their categories.

List-I

List-II

(A) Current Ratio

(I) Solvency Ratio

Choose the correct answer:

1. (A)-(IV), (B)-(I), (C)-(II), (D)-(III)
2. (A)-(III), (B)-(II), (C)-(IV), (D)-(I)
3. (A)-(IV), (B)-(III), (C)-(I), (D)-(II)
4. (A)-(III), (B)-(I), (C)-(IV), (D)-(II)

(B) Inventory Turnover Ratio

(II) Liquidity Ratio

37. Match List-I with List-II.

List-I

List-II

(A) Authorised Capital

(I) Portion of uncalled capital called at winding up

(B) Reserve Capital

(II) Maximum capital company can raise

(C) Issued Capital

(III) Capital issued to public

(D) Subscribed but not fully paid

(IV) Amount called up but not fully received

(C) Return on Investment

(III) Profitability Ratio

(D) Proprietary Ratio

(IV) Activity Ratio

Options:

1. A-II, B-IV, C-III, D-I
2. A-I, B-II, C-III, D-IV
3. A-II, B-I, C-III, D-IV
4. A-IV, B-I, C-III, D-II

39. Match List-I with List-II (Cash Flow concepts).

List-I

List-II

(A) Accounting basis of cash flow statement

(I) Investment in shares

Options:

1. (A)-(II), (B)-(I), (C)-(III), (D)-(IV)
2. (A)-(I), (B)-(IV), (C)-(II), (D)-(III)
3. (A)-(IV), (B)-(II), (C)-(I), (D)-(III)
4. (A)-(II), (B)-(III), (C)-(I), (D)-(IV)

(B) Dividend paid on equity and preference capital

(II) Cash basis

(C) Example of cash equivalent

(III) Treasury bills

(D) Private placement

(IV) Application received less than shares issued

(D) Cash outflow from financing activities

(IV) Financing activities

Options:

1. A-II, B-I, C-IV, D-III
2. A-I, B-II, C-IV, D-III
3. A-II, B-I, C-III, D-IV
4. A-II, B-III, C-I, D-IV

Options:

1. A-IV, B-I, C-II, D-III
2. A-II, B-IV, C-III, D-I
3. A-III, B-II, C-I, D-IV
4. A-II, B-I, C-IV, D-III

41. Amrita and Kalyani share profits in ratio 3 : 2. They admit Suraj for 1/4 share. Suraj's goodwill = ₹90,000.

Goodwill brought by Suraj will be distributed as:

1. ₹54,000 and ₹36,000
2. ₹2,16,000 and ₹1,44,000
3. ₹18,000 and ₹72,000
4. ₹72,000 and ₹18,000

40. Match the following:

List-I

List-II

(A) Over-subscription

(I) Minimum amount to be raised

(B) Minimum subscription

(II) Application received more than shares issued

(C) Under-subscription

(III) Allotment without issue of prospectus

42. From the same information, share of revaluation profit of Amrita and Kalyani is:

1. ₹24,000 and ₹16,000
2. ₹16,000 and ₹24,000
3. ₹8,00,000 and ₹32,00,000
4. ₹20,00,000 and ₹20,00,000

43. What is Amrita's share in Workmen Compensation Fund?

1. ₹3,00,000
2. ₹1,80,000
3. ₹1,20,000
4. ₹1,00,000

44. Cash equivalents refer to investments which are:

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1. Highly liquid
  2. Short-term
  3. Easily convertible to known cash amounts
  4. All of the above
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4. Non-cash Activities

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45. Which ratio measures short-term solvency?

1. Current Ratio
  2. Debt-Equity Ratio
  3. Inventory Turnover Ratio
  4. Return on Capital Employed
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50. Which of the following is not a liquidity ratio?

1. Current Ratio
2. Quick Ratio
3. Inventory Turnover Ratio
4. Cash Ratio

46. Which ratio shows relationship between net profit and capital employed?

1. Return on Investment
  2. Current Ratio
  3. Proprietary Ratio
  4. Debt-Equity Ratio
- 



47. Which ratio measures creditors' safety?

1. Proprietary Ratio
  2. Debt-Equity Ratio
  3. Current Ratio
  4. Inventory Turnover Ratio
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48. Which activity in Cash Flow Statement includes purchase or sale of fixed assets?

1. Operating Activity
  2. Financing Activity
  3. Investing Activity
  4. Non-cash Activity
- 

49. Dividend paid by a company is classified under:

1. Operating Activities
  2. Investing Activities
  3. Financing Activities
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