

20th June 2023 (Shift 2)

Q1. When a company reserves a portion of its uncalled capital to be called in the event of winding up, such uncalled capital is known as:-

- (a) Reserve capital (b) Capital Reserve  
(c) Called up Capital (d) Subscribed Capital

Q2. Match List I with List II:

LIST I		LIST II	
A.	Operating Profit Ratio	I.	Solvency Ratios
B.	Working Capital Turnover Ratio	II.	Liquidity Ratios
C.	Debt-Equity Ratio	III.	Activity Ratios
D.	Quick Ratio	IV.	Profitability Ratios

Choose the correct answer from the options given below:

- (a) A-III, B-IV, C-II, D-I (b) A-III, B-IV, C-I, D-II  
(c) A-IV, B-III, C-II, D-I (d) A-IV, B-III, C-I, D-II

Q3. MS Access is a

- (a) Word Processing Software  
(b) Presentation Software  
(c) Spreadsheet software  
(d) Data Base Management Software

Q4. Identify that will lead to dissolution of partnership

- (a) When the business of the firm becomes illegal  
(b) When a partner becomes insane  
(c) When a partner persistently commits breach of partnership agreement  
(d) When there is change in existing profit-sharing ratio among partners

Q5. Select the partner(s) who will compensate the decreased partner for the share of goodwill at the time of death.

- (a) Remaining Partner(s) (b) All Partners  
(c) Sacrificing Partner(s) (d) Gaining Partner(s)

Q6. Securities premium cannot be used:

- (a) for issuing fully paid Bonus shares  
(b) to write-off preliminary expenses of the company  
(c) to pay premium on redemption of shares or debentures of company  
(d) to pay dividend to the shareholder of company

Q7. Arrange the following in the context of Cash Flow Statement

- (A) Calculation of cash flow from Operating Activities  
(B) Calculation of cash flow from Financing Activities  
(C) Calculations of net increase/decrease in cash and cash equivalent during the year  
(D) Calculation of cash flow from Investing Activities  
(E) Calculation of net profit before tax and extraordinary item

Choose the correct answer from the options given below:

- (a) D, A, B, E, C (b) C, D, B, A, E  
(c) A, E, B, D, C (d) E, A, D, B, C

Q8. Which of the following items are part of Intangible non-current Assets:

- (A) Patents  
(B) Furniture  
(C) Statement of Profit & Loss A/c (Dr)  
(D) Goodwill  
(E) Trademark

Choose the correct answer from the options given below:

- (a) A, B and C only (b) A, C and D only  
(c) A, D and E only (d) C, D and E only

Q9. Match List I with List II

LIST I		LIST II	
A.	Only Capital A/c exist	I.	Credited to partners' account
B.	Capital account balance remain unchanged	II.	Debited to Partner's Capital Account
C.	Fresh/additional capital brought in by partner	III.	Fixed Capital Account
D.	Permanent withdrawal	IV.	Fluctuating Capital Account

Choose the correct answer from the options given below:

- (a) A-I, B-II, C-III, D-IV (b) A-II, B-III, C-IV, D-I  
(c) A-IV, B-III, C-I, D-II (d) A-III, B-IV, C-I, D-II

Q10. Vikas and Rahul are partners who shares profits in the ratio of 2:3. They admitted Sunil as a partner for  $\frac{3}{7}$ th share in future profits who brings ₹37,500 as his share of Goodwill. Half of which is withdrawn by sacrificing partners. Record Journal entry for Goodwill withdrawn by Partners.

- (a) Premium for Goodwill A/c Dr 37,500  
To Vikas's Capital A/c 15,000  
To Rahul's Capital A/c 22,500  
(b) Vikas's Capital A/c Dr 7,500  
Rahul's Capital A/c Dr 11,250  
To Bank A/c 18,750  
(c) Bank A/c Dr 18,750  
To Vika's Capital A/c 7,500  
To Rahul's Capital A/c 11,250  
(d) Vikas's capital A/c Dr 15,000  
Rahul's Capital A/c Dr 22,500  
To Bank 37,500

Q11. The process of receiving minimum subscription of 90% of the entire issue must be completed within \_\_\_\_\_ days from date of issue of prospectus

- (a) 30 days (b) 90 days  
(c) 120 days (d) 140 days

Q12. Arrange the following in the context of Statement of Profit and Loss.

A. Other income  
 B. Expenses  
 C. Total Revenue  
 D. Revenue from operation  
 E. Profit before tax and extra-ordinary item  
 Choose the correct answer from the options given below:

- (a) A, D, C, B, E                      (b) D, A, C, B, E  
 (c) C, B, E, D, A                      (d) D, A, E, B, C

**Q13.** Pie charts don't have more than \_\_\_\_\_ categories.

- (a) Five                                      (b) Seven  
 (c) Three                                    (d) Ten

**Q14.** Select out of the following that is not considered as one of the modes of reconstitution of a partnership firm.

- (a) Change in the profit-sharing ratio among the existing partners  
 (b) Admission of a new partner  
 (c) Retirement of an existing partner  
 (d) Dissolution of a partnership firm

**Q15.** A, B, C were partners in a partnership firm their profit-sharing ratio was 5:3:2. B retires and the new profit-sharing ratio between A and C was 3:2. Calculate gaining ratio.

- (a) 3:8                                      (b) 1:3  
 (c) 7:2                                      (d) 1:2

**Q16.** A and B are partners sharing profits in the ratio of 2:1. C is admitted for the 1/4th share of profits, who brings ₹20,000 as capital. After all adjustments related to goodwill, revaluation of assets and reassessment of liabilities etc. Capital of A and B are ₹45,000 and ₹15,000 respectively: It is agreed that partners capitals should be according to the new profit-sharing ratio.

Determine the new capital of B  
 (a) ₹20,000                              (b) ₹40,000  
 (c) ₹80,000                              (d) ₹45,000

**Q17.** Balance of Share Forfeiture account is shown in the Balance Sheet under the item: -

- (a) Current Liabilities and Provisions  
 (b) Reserve and Surplus  
 (c) Share Capital  
 (d) Unsecured Loans

**Q18.** Salary of a partner is shown in

- (a) Profit and Loss A/c  
 (b) Profit and Loss Appropriation A/c  
 (c) Trading A/c  
 (d) Manufacturing A/c

**Q19.** The dissolution of Partnership may take place due to:

- (A) Retirement of Partner  
 (B) Death of Partner  
 (C) Insolvency of Partner  
 (D) Admission of New Partner  
 (E) Completion of Venture, if partnership formed for that purpose

Choose the correct answer from the options given below:

- (a) A and B only                      (b) A, B and C only  
 (c) A, B, C and D only              (d) A, B, C, D and E only

**Q20.** Arrange the following in the context of dissolution of partnership firm.

- A. Payment of loan from Partners  
 B. Payment of secured outsider's liabilities  
 C. Realisation of assets into cash  
 D. Settlement of partner's capital  
 E. Payment of unsecured outsider's liability

Choose the correct answer from the options given below:

- (a) A, B, C, D, E                      (b) C, B, E, A, D  
 (c) B, C, D, E, A                      (d) D, E, A, B, C

**Q21.** The following are the items appearing in Equities and Liabilities side of Balance Sheet

- (A) Deferred tax Assets (Net)  
 (B) Reserve and Surplus  
 (C) Deferred tax Liabilities (Net)  
 (D) Long term borrowings  
 (E) Long term loans and Advances

Choose the correct answer from the options given below:

- (a) (A), (B) and (C) only              (b) (B), (C) and (D) only  
 (c) (B), (C) (D) and (E) only        (d) (A), (D) and (E) only

**Q22.** Match List I with List II

LIST I		LIST II	
A.	Employee benefit expenses	I.	Investing activity
B.	Dividend received	II.	Operating activity
C.	Loan raised	III.	Extraordinary item
D.	Proceeds from earthquake disaster management	IV.	Financing activity

Choose the correct answer from the options given below:

- (a) A-III, B-II, C-I, D-IV              (b) A-IV, B-III, C-II, D-I  
 (c) A-II, B-I, C-IV, D-III              (d) A-I, B-IV, C-III, D-II

**Q23.** Which of the following option regarding issue and redemption of debenture is not possible in general?

- (a) Issue at premium, Redemption at a premium  
 (b) Issued at discount, Redemption at discount  
 (c) Issued at par, Redemption at a premium  
 (d) Issued at discount, Redemption at par

**Q24.** Profits made on Revaluation of Assets and Reassessment of Liabilities is distributed among whom?

- (a) All Partners                              (b) Admitted Partner only  
 (c) Retiring Partner only              (d) Old Partners

**Q25.** In total how many "Rows" are there in a spreadsheet?

- (a) 65,000                                  (b) 65,500  
 (c) 65,536                                  (d) 65,550

**Q26.** A, B and C are partners sharing profits in the ratio of 3:2:1. D is admitted into firm for  $\frac{1}{4}$ th share of profit, which he gets  $\frac{1}{8}$  from A and  $\frac{1}{8}$  from B. Calculated new sharing ratio of all the partners

- (a) 1:1:1:1                                  (b) 9:5:4:6  
 (c) 9:4:5:6                                  (d) 9:5:6:4

**Q27.** Arrange the following statements in proper sequence in context of admission of partner.

(A) Finalising terms for admission of new partner  
 (B) Calculation of sacrificing/gaining ratio  
 (C) Finalising balance in partner's capital A/c  
 (D) Calculation of new profit-sharing ratio  
 (E) Valuation and adjustment of goodwill  
 Choose the correct answer from the options given below:

- (a) (A), (E), (C), (D), (B)      (b) (A), (D), (B), (E), (C)  
 (c) (A), (C), (E), (B), (D)      (d) (A), (C), (B), (D), (E)

**Q28.** Identify the way by which the clauses of partnership deed can be altered.

- (a) On the basis of majority partners' consent  
 (b) On the basis of registrar of companies' consent  
 (c) On the basis of all the partners' consent  
 (d) Clauses of partnership deed cannot be altered

**Q29.** Unrecorded assets when taken over by a partner on dissolution are shown in:

- (a) Debit of Realisation Account  
 (b) Debit of Bank Account  
 (c) Credit of Realisation Account  
 (d) Credit of Bank Account

**Q30.** Match List I with List II

LIST I		LIST II	
A.	Capital Reserve	I.	Current Assets
B.	Inventories	II.	Non-Current Liabilities
C.	8% Debentures	III.	Current Liabilities
D.	Provision for tax	IV.	Reserve and Surplus

Choose the correct answer from the options given below:

- (a) A-IV, B-I, C-II, D-III      (b) A-IV, B-II, C-III, D-I  
 (c) A-III, B-I, C-IV, D-II      (d) A-III, B-IV, C-II, D-I

**Q31.** Match List I with List II:

Particulars	Amount (₹)
Inventory at the beginning	40,000
Credit Purchase	1,60,000
Inventory at the end	38,000
Trade payable at the beginning	14,000
Trade payable at the end	14,500

Cash paid for inventory is:

- (a) ₹1,59,000      (b) ₹1,60,000  
 (c) ₹1,59,500      (d) ₹1,60,500

**Q32.** The content of Partnership deed includes:

- (A) Name and address of all partners  
 (B) Method of settlement of disputes among partners  
 (C) Deed once made cannot be altered  
 (D) Rules regarding operation of Bank account  
 (E) Verbal agreement between partners is considered as deed

Choose the correct answer from the options given below:

- (a) B, D and E only      (b) A, C and E only  
 (c) A, B and C only      (d) A, B and D only

**Q33.** Calculate the Normal Rate of Return if normal profit is ₹30,000 Assets ₹5,30,000 and liabilities ₹30,000, while calculating the value of goodwill of the firm at the time of admission of a partner.

- (a) 5.6%      (b) 6%  
 (c) 5.3%      (d) 5%

**Q34.** Which of the following item is not a tool of financial statement analysis?

- (a) Trend Analysis  
 (b) Statement of Profit and Loss  
 (c) Cash flow statement  
 (d) Comparative statements

**Q35.** If at the time of admission, some positive balance of Profit and Loss A/c appears in the books, it will be transferred to:

- (a) Profit and Loss account  
 (b) Revaluation Account  
 (c) Old Partner's Capital Account  
 (d) All Partners Capital Account

**Q36.** The current version of Excel 2007 is now designed with series of horizontal tables known as \_\_\_\_\_

- (a) Scale      (b) toolbar  
 (c) Ribbon      (d) Function

**Q37.** Match List I with List II

LIST I		LIST II	
A.	Horizontal Analysis	I.	Common size statement
B.	Vertical Analysis	II.	Comparative statement
C.	External Analysis	III.	Access to all published and unpublished information
D.	Internal analysis	IV.	Access only to published information

Choose the correct answer from the options given below:

- (a) A-I, B-II, C-III, D-IV      (b) A-II, B-I, C-III, D-IV  
 (c) A-II, B-I, C-IV, D-III      (d) A-III, B-IV, C-I, D-II

**Q38.** A newly admitted partner has the right to -

- (a) Share the profit of firm after his admission  
 (b) Share the assets of the firm before his admission  
 (c) Share the general reserve already appearing in the Balance Sheet before his admission  
 (d) Demand extra-profit than his agreed share if business makes huge profits

**Q39.** Arrange the following in the context of "Buy Back of Shares".

- (A) Articles of Association must authorise Buy Back of share  
 (B) Buy Back should be completed within 12 months  
 (C) Maintaining debt equity ratio of not more than 2:1 after Buy Back  
 (D) Passing Special Resolution in annual general meeting  
 (E) Filing solvency declaration with registrar and SEBI

Choose the correct answer from the options given below:

- (a) A, D, C, B, E      (b) B, C, D, E, A  
 (c) C, D, E, A, B      (d) D, E, B, C, A

**Q40.** Select the conditions required for computing interest on drawings using average period method:

- (A) Equal amount of drawings  
 (B) Fixed interval of drawings  
 (C) Varying amounts of drawings  
 (D) Different interval of drawings  
 (E) Rate of Interests  
 Choose the correct answer from the options given below:  
 (a) A, D and E only                      (b) A, C and B only  
 (c) A, C and D only                      (d) A, B and E only

**Direction (Q41. to Q45.):**  
**From the trail balance and other information provided by school for the year ended 31<sup>st</sup> March 2017 answer the questions:**

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Building	6,25,000	Admissions fees	12,500
Furniture	1,00,000	Tuition fees received	5,00,000
Library Books	1,50,000	Creditors for supplies	15,000
Investment @12%	5,00,000	Rent for the school hall	10,000
Salaries	5,00,000	Miscellaneous receipts	30,000
Stationery	40,000	Government grant	3,50,000
General expenses	18,000	General fund	10,00,000
Sports expenses	15,000	Donation for library books	62,500
Cash at bank	50,000	Sale of old furniture	20,000
Cash in hand	2,000		
	20,00,000		20,00,000

**Additional Information**

- (a) Tuition fee yet to be received for the year are ₹25,000  
 (b) Salaries yet to be paid amount to ₹30,000  
 (c) Furniture costing ₹40,000 was purchased on October 1, 2016.  
 (d) The book value of the furniture sold was ₹50,000 on April 1, 2016  
 (e) Depreciation is to be charged @ 10% p.a. on furniture, 15% p.a. on Library books, and 5% on building.
- Q41.** Loss on sale of furniture is  
 (a) ₹20,000                      (b) ₹30,000  
 (c) ₹25,000                      (d) ₹28,000
- Q42.** Depreciation on furniture is:  
 (a) ₹10,000                      (b) ₹3,500  
 (c) ₹5,000                      (d) ₹3,000
- Q43.** The closing value of Building as on 31.3.2017 was:  
 (a) ₹5,93,750                      (b) ₹5,39,750  
 (c) ₹5,40,000                      (d) ₹5,37,950
- Q44.** The total expenses on account of salary to be debited to Income and Expenditure A/c for the year 2016-17 was:

- (a) ₹5,80,000                      (b) ₹5,30,000  
 (c) ₹4,70,000                      (d) ₹4,80,000

- Q45.** Tuition fee to be credited to Income and Expenditure account is:  
 (a) ₹5,25,000                      (b) ₹5,00,000  
 (c) ₹5,15,000                      (d) ₹4,75,000

**Direction (Q46 to Q50):**

Eicher Ltd. issued 50,000 shares of ₹10 each at a premium of ₹5 per share payable as follows:  
 On application ₹3 per share  
 On allotment ₹5 (including ₹3 Premium)  
 On First Call ₹5 (including ₹2 Premium)  
 On Final Call Balance amount

Applications were received for 72,000 shares. Directors allotted 50,000 shares to the applicants applying for 65,000 shares, the remaining applications being refused. Money overpaid on application was utilised towards sum due on allotment. All the money was duly received with the exception of first call from Rahul, who applied for 2,600 shares. Due to non-payment of 1<sup>st</sup> call his share were forfeited immediately. Later on, these shares were re-issued at minimum issue price.

On the basis of following case study, answer the question.

- Q46.** Record journal entry for forfeiture of Rahul's shares.  
 (a) Share Capital A/c Dr 20,000 ---  
     Securities Premium Reserve A/c Dr 10,000 ---  
         To Share 1<sup>st</sup> call A/c 10,000  
         To Share final call A/c 4,000  
         To Share forfeiture call A/c 16,000  
 (b) Share Capital A/c Dr 20,000 ---  
         To share 1<sup>st</sup> call A/c 10,000  
         To Share final call A/c 4,000  
         To Share forfeiture A/c 6,000  
 (c) Share Capital A/c Dr 16,000  
     Securities Premium Reserve A/c Dr 4,000  
         To Share 1<sup>st</sup> call A/c 10,000  
         To Share forfeiture A/c 10,000  
 (d) Share Capital A/c Dr 16,000  
         To Calls in Arrears A/c 10,000  
         To Share forfeiture A/c 6,000

- Q47.** Identify the amount by which bank account would be debited/credited on refund of rejected applications  
 (a) ₹2,16,000 Debit                      (b) ₹21,000 Credit  
 (c) ₹2,16,000 Credit                      (d) ₹21,000 Debit
- Q48.** Determine the amount to be transferred to Capital Reserve on reissue of Rahul's Shares  
 (a) ₹7,800                      (b) ₹6,000  
 (c) ₹1,800                      (d) Nil
- Q49.** Identify the ratio in which shares are issued on Pro-rata basis  
 (a) 50:72                      (b) 72:50  
 (c) 13:10                      (d) 10:13
- Q50.** Before forfeiture of Rahul's shares, who are required to issue notice in this regard.  
 (a) Directors                      (b) Promoters  
 (c) Employees                      (d) Members