

BACHELOR OF ACCOUNTING AND FINANCE

FYBAF

SEMESTER II(ATKT)

FINANCIAL ACCOUNTING II

SAMPLE QUESTIONS

- 1) Branch account under debtors system is
 - a) Personal a/c
 - b) Real a/c
 - c) Nominal a/c
 - d) Non personal a/c
- 2) Goods sent by HO to branch but nit received by branch are termed as ____
 - a) Branch a/c
 - b) Goods in transit
 - c) Purchase return
 - d) Sales return
- 3) Cash remitted to branch is debited to
 - a) Branch a/c
 - b) HO a/c
 - c) Branch expenses a/c
 - d) Cash a/c
- 4) in branch accounting depreciation on branch fixed assets is
 - a) Not shown in branch a/c
 - b) Shown in branch a/c
 - c) Debited to fixed assets a/c
 - d) Credited to fixed assets a/c
- 5) opening balance of petty cash is shown on
 - a) Credit to branch a/c
 - b) Debit to branch a/c
 - c) Debit to bank a/c
 - d) Credit to bank a/c
- 6) under stock debtor system branch adjustment a/c shows
 - a) Net profit
 - b) Gross profit
 - c) Branch stock
 - d) Gross loss
- 7) collection from debtors can be ascertained from
 - a) Branch a/c
 - b) Branch debtors a/c
 - c) Cash a/c
 - d) Branch stock a/c
- 8) under stock debtors system branch stock a/c is
 - a) Nominal a/c
 - b) Real a/c

- c) Personal a/c
 - d) Non personal a/c
- 9) stock reserve in relation to closing stock is shown on
- a) Debit side of branch a/c
 - b) Credit side of branch a/c
 - c) Debit side of P&L a/c
 - d) Credit side of P&L a/c
- 10) department is located at
- a) At same place under 1 roof
 - b) At different places
 - c) In same state
 - d) In another state
- 11) under debtors system normal loss is
- a) Not recorded in branch a/c
 - b) Recorded in branch a/c
 - c) Recorded in HO a/c
 - d) No recorded in HO a/c
- 12) under debtors system insurance claim admitted and received is shown on
- a) Credit side of branch a/c
 - b) Debit side of branch a/c
 - c) Credit side of HO a/c
 - d) Debit side of HO a/c
- 13) closing balance of creditors is recorded at
- a) Debit side of branch a/c
 - b) Credit side of branch a/c
 - c) Debit side of HO a/c
 - d) Credit side of HO a/c
- 14) goods returned by branch will be recorded at
- a) Debit side of branch a/c
 - b) Credit side of branch a/c
 - c) Debit side of HO a/c
 - d) Credit side of HO a/c
- 15) the balance of goods sent to branch is transferred to
- a) Trading a/c
 - b) Manufacturing a/c
 - c) Profit and loss a/c
 - d) Branch a/c
- 16) the stock reserve of goods returned to branch will be recorded at
- a) Debit side
 - b) Credit side
 - c) Is ignored
 - d) Is added to to the amount of goods returned
- 17) the goods sent to the branch are at cost + 50% = Rs 5,00,000. What is the amount of stock reserve ?

- a) 2,00,000
 - b) 1,66,666
 - c) 1,00,000
 - d) 1,50,000
- 18) the goods sent to the branch are at cost + 50% = Rs 12,00,000. What is the amount of stock reserve ?
- a) 3,66,666
 - b) 4,00,000
 - c) 8,00,000
 - d) 1,33,334
- 19) the goods sent to the branch are at cost + 50% = Rs 10,00,000. What is the cost of goods?
- a) 7,66,666
 - b) 6,66,666
 - c) 8,00,000
 - d) 5,66,667
- 20) the goods sent to the branch are at cost + 33.33% = Rs 8,60,000. What is the amount of stock reserve ?
- a) 2,16,000
 - b) 2,15,000
 - c) 6,13,000
 - d) 6,45,000
- 21) ___ system is a system of bookkeeping in which only records of cash and personal accounts are maintained
- a) Double
 - b) Single
 - c) Cash
 - d) First
- 22) ___ is not based on recognised accounting principles
- a) Single entry system
 - b) Double entry system
 - c) Materiality
 - d) Accuracy
- 23) ___ records both aspects debit and credit of all transactions
- a) Single entry system
 - b) Double entry system
 - c) Cash system
 - d) Debtors system
- 24) single entry system is adopted by ___
- a) Small traders
 - b) Large traders
 - c) Medium traders
 - d) Partnership firms
- 25) ___ cannot be prepared because of which arithmetic accuracy cannot be checked
- a) Trial balance

- b) Profit and loss a/c
 - c) Balance sheet
 - d) Cash flow statement
- 26) ___ is prepared to ascertain net worth of business
- a) Balance sheet
 - b) Trading a/c
 - c) Profit and loss a/c
 - d) Cash flow statement
- 27) In ___ system there is no need for a qualified accountant
- a) Single entry
 - b) Double entry
 - c) Cash system
 - d) Debtors system
- 28) ___ system is not recognised by law
- a) Single entry
 - b) Double entry
 - c) Cash system
 - d) Debtors system
- 29) ___ account is prepared to ascertain gross profits
- a) Balance sheet
 - b) Trading a/c
 - c) Profit and loss a/c
 - d) Cash flow statement
- 30) ___ a/c is prepared to calculate credit sales
- a) Debtors a/c
 - b) Creditors a/c
 - c) Bills receivable a/c
 - d) Bills payable a/c
- 31) ___ a/c is prepared to calculate cash purchases
- a) Cash a/c
 - b) Debtors a/c
 - c) Creditors a/c
 - d) Supplier a/c
- 32) ___ is prepared to calculate opening capital
- a) Opening balance sheet
 - b) Closing balance sheet
 - c) Trial balance
 - d) Cash flow statement
- 33) debtors a/c is prepared to calculate ___
- a) Credit sales
 - b) Cash sales
 - c) Credit purchases
 - d) Sales return
- 34) closing stock is recorded on ___ side of trading a/c

- a) Debit
 - b) Credit
 - c) Right
 - d) Left
- 35) outstanding wages will be ____ with wages to get the final amount
- a) Added
 - b) Subtracted
 - c) Divided
 - d) Multiplied
- 36) prepaid rent will be ____ with rent to get final amount
- a) Added
 - b) Subtracted
 - c) Divided
 - d) Multiplied
- 37) Commission received will be recorded in
- a) Trading a/c
 - b) Profit and loss a/c
 - c) Manufacturing a/c
 - d) Cash a/c
- 38) drawings will be ____ from the capital
- a) Added
 - b) Subtracted
 - c) Divided
 - d) Multiplied
- 39) opening balance of debtors is recorded on ____ side in ledger of debtors
- a) Debit
 - b) Credit
 - c) Right
 - d) Left
- 40) debit balance on cash a/c is known as
- a) Closing cash balance
 - b) Bank overdraft
 - c) Loan taken
 - d) Loan given
- 41) opening stock Rs 50,000 closing stock Rs 75,000 purchases Rs 1,25,000 and sales 3,25,000. Find the gross profit
- a) Rs 1,25,000
 - b) Rs 1,75,000
 - c) Rs 50,000
 - d) Rs 2,25,000
- 42) opening stock Rs 50,000 closing stock Rs 75,000 purchases Rs 4,25,000 and gross profit 35,000. Find the sales
- a) Rs 4,35,000
 - b) Rs 4,10,000

- c) Rs 2,25,000
 - d) Rs 2,45,000
- 43) opening balance 35,000 cash received from debtors 2,00,000 and closing balance is Rs 25,000. What is the value of credit sales
- a) Rs 1,10,000
 - b) Rs 2,10,000
 - c) Rs 1,90,000
 - d) Rs 1,35,000
- 44) opening balance 64,000 cash received from debtors 1,10,000 bad debts Rs 1,000 and closing balance 80,000. What is the value of credit sales
- a) Rs 93,000
 - b) Rs 1,34,000
 - c) Rs 1,27,000
 - d) Rs 1,47,000
- 45) fixed assets 5,00,000 cash 40,000 creditors 1,50,000. Calculate opening capital
- a) Rs 3,90,000
 - b) Rs 3,50,000
 - c) Rs 2,90,000
 - d) Rs 2,50,000
- 46) fixed assets 3,00,000 cash 10,000 debtors 50,000 creditors 50,000. Calculate opening capital
- a) Rs 2,00,000
 - b) Rs 3,10,000
 - c) Rs 1,00,000
 - d) Rs 5,00,000
- 47) cash received from debtors will be recorded in cash book __- side
- a) Debit
 - b) Credit
 - c) Left
 - d) Right
- 48) furniture = Rs 4,00,000 and depreciation is @ 6%. What will be the closing balance of furniture
- a) Rs 3,76,000
 - b) Rs 3,85,000
 - c) Rs 3,56,000
 - d) Rs 3,46,000
- 49) machinery = Rs 5,00,000 and depreciation is @ 15%. The machinery is purchased on 1st july. What is the value of machinery as on 31st march
- a) Rs 4,43,750
 - b) Rs 3,34,650
 - c) Rs 2,64,500
 - d) Rs 1,23,540
- 50) opening cash balance is 34,000 closing cash balance 2,24,000 cash received from debtors 2,00,000. What is the amount of credit sales

- a) Rs 1,00,000
 - b) Rs 3,90,000
 - c) Rs 1,24,000
 - d) Rs 2,34,000
- 51) Usually in a single entry
- a) Only manual accounts are maintained
 - b) Only cash & personal accounts are maintained
 - c) Only real accounts are maintained
 - d) Only nominal accounts are maintained
- 52) Fire insurance covers the risk of loss due to ____
- a) Fire
 - b) Marine
 - c) Loss
 - d) Theft
- 53) Credit purchases can be ascertained from ____ account
- a) Creditors a/c
 - b) Debtors a/c
 - c) Trading a/c
 - d) Profit and loss a/c
- 54) Purchase of plant shall be ____ from purchases
- a) Deducted
 - b) Added
 - c) Multiplied
 - d) Divided
- 55) fire fighting expenses are ____ with loss
- a) Deducted
 - b) Added
 - c) Multiplied
 - d) Divided
- 56) The balancing figure in memorandum trading account prepared by a trader who has lost goods in fire indicates
- a) Gross profit on stock lost
 - b) Estimated closing stock as on date of fire
 - c) Value of fire insurance policy
 - d) Amount of claim to be made from insurance company
- 57) Average clause in an insurance policy applies only case of ____
- a) Life insurance
 - b) Over insurance
 - c) Under insurance
 - d) Marine insurance
- 58) Which of the following statements are true ?
- a) Book stock on date of fire - goods received , but not included in purchases = stock destroyed by fire

- b) Book stock on date of fire + goods received but not included in purchases = stock destroyed by fire
 - c) Book stock on date of fire + goods not received but not included in purchases = stock destroyed by fire
 - d) Book stock on date of fire + goods included in purchases but not received = stock destroyed by fire
- 59) Which of the following is true ?
- a) Book stock on date of fire + goods lying with others on approval = stock destroyed by fire
 - b) Book stock on date of fire - goods lying with others on approval = stock destroyed by fire
 - c) Stock destroyed by fire - goods lying with others on approval = book stock on date of fire
 - d) Book stock on date of fire + goods included in purchases but not received = stock destroyed by fire
- 60) fire insurance __
- a) Covers risk of loss
 - b) Prevents loss
 - c) Increases loss
 - d) Decreases loss
- 61) In fire insurance compensation is
- a) Equal to policy amount
 - b) Stock on date of fire
 - c) Actual loss incurred
 - d) Actual profit incurred
- 62) salvage refers to
- a) Stock destroyed by fire
 - b) Stock saved from fire
 - c) Stock moving fast
 - d) Stock moving slow
- 63) % of gross profit should be ____
- a) Fluctuating
 - b) Consistent
 - c) Increasing
 - d) Decreasing
- 64) stock for the purpose of claim should be
- a) At marginal price
 - b) At market value
 - c) At cost
 - d) At variable price
- 65) stock for the purpose of claim should be
- a) At marginal price
 - b) At market value
 - c) At cost
 - d) At variable price
- 66) abnormal items included in closing stock should be
- a) Deducted from closing stock

- b) Deducted from purchases
 - c) Added to sales
 - d) Added to purchases
- 67) As per average clause insurance company pays compensation
- a) Proportionately
 - b) More than the loss
 - c) Less than the loss
 - d) Added to loss
- 68) goods sent on consignment are
- a) Debited to memorandum trading account
 - b) credited to memorandum account
 - c) Ignored
 - d) Divided
- 69) Goods sent on approval is
- a) Debited to memorandum trading account
 - b) credited to memorandum account
 - c) Ignored
 - d) Divided
- 70) sales 2,00,000 purchases 1,30,000 wages 18,000 closing stock 22,000 opening stock 20,000. What was the gross profit
- a) 54,000
 - b) 50,000
 - c) 72,000
 - d) 70,000
- 71) Find the value of opening stock
Purchase 15,000 closing stock 3,000 sales 22,000 and gross profit 4,000
- a) 5,000
 - b) 5,500
 - c) 6,000
 - d) 4,500
- 72) find the value of closing stock
Purchase 30,000 opening stock 6,000 sales 44,000 and gross profit 7,000
- a) 1,000
 - b) Zero
 - c) 1,500
 - d) 2,000
- 73) sales 3,50,000 purchases 3,00,000 wages 10,000 opening stock 10,000 less than closing stock. What is the gross profit
- a) 30,000
 - b) 50,000
 - c) 40,000
 - d) 70,000
- 74) if gross profit ratio is equal to 20% on cost the gross profit is ____% of sale price
- a) 16.67%

- b) 25%
- c) 20%
- d) 33.33%

75) Cost of goods sold is Rs 50,000 and insurance cover is taken for Rs 60,000. Goods considered ___ insured

- a) Fully
- b) Partly
- c) Totally
- d) Wholly

76) Proforma invoice is prepared by ____

- a) Seller
- b) Buyer
- c) Consignor
- d) Consignee

77) An account sales is

- a) A ledger account in the books of the consignee
- b) A ledger account in the books of the consignor
- c) A statement showing particulars of goods sent
- d) A ledger account in the books of customer

78) The commission allowed by consignor to consignee to bear bad debts on account of credit sales

- a) Normal commission
- b) Del credere commission
- c) Overriding commission
- d) Under riding commission

79) consignment stock will be recorded in balance sheet of consignor on asset side at

- a) Invoice price
- b) At invoice price less stock reserve
- c) At lower than cost price
- d) At 10% lower than invoice price

80) When the consignor sends goods to consignee he prepares a ___

- a) Account sale
- b) Cash memo
- c) Proforma invoice
- d) Credit memo

81) Balance of consignment account indicates ___

- a) Profit and loss a/c
- b) Goods sent to consignor
- c) Balance goods with consignee
- d) Trading a/c

82) If the consignor carries on business of manufacturing then the balance of goods sent on consignment a/c is transferred to ___

- a) Profit and loss a/c
- b) Trading a/c

- c) Manufacturing statement
 - d) Consignment a/c
- 83) If the consignor carries on trading business the the balance of goods sent on consignment a/c is transferred to ___
- a) Profit and loss a/c
 - b) Trading a/c
 - c) Manufacturing statement
 - d) Consignment a/c
- 84) If no del credere commission is paid to the consignee ___ a/c should be debited for credit sale
- a) Consignee a/c
 - b) Consignment a/c
 - c) Consignment debtors a/c
 - d) Consignor a/c
- 85) While valuing closing stock consignment the ___ expenses incurred by consignor are added to the cost of stock
- a) Full
 - b) Half
 - c) Proportionate
 - d) Its excluded
- 86) Account sales ___
- a) Have a very particular format
 - b) Does not have a specific format
 - c) Must be prepared by law
 - d) Given by consignor to consignee
- 87) out of the given option which cannot be treated as part of purchase for valuing stock on hand
- a) Packaging
 - b) Octroi
 - c) Delivery charges
 - d) Freight
- 88) The consignment accounting is made on the basis of ___
- a) Accrual
 - b) Realisation
 - c) Materiality
 - d) Cash
- 89) For recording closing stock held by consignee which account must be debited
- a) Consignment stock a/c
 - b) Sales a/c
 - c) Consignee a/c
 - d) Consignment a/c
- 90) Commission will be shared by
- a) Consignor & consignee
 - b) Only consignee

- c) Only consignor
- d) Consumer

91) In consignment the goods are despatched on the basis that the goods will be sold on behalf of at the expense and at the risk of

- a) Consignor
- b) Consignee
- c) Transporter
- d) Consumer

92) Which of the following expenses of consignee will be considered as non selling expense

- a) Advertisement
- b) Insurance
- c) Selling expense
- d) Freight

93) To eliminate load on opening stock

- a) Consignment a/c is debited and stock reserve a/c is credited
- b) Consignment a/c is credited and stock reserve is debited
- c) Consignment a/c is credited and opening stock is debited
- d) Consignment a/c is debited and opening stock is credited

94) To eliminate load on goods sent on consignment a/c

- a) Consignment a/c is debited and stock reserve is credited
- b) Consignment a/c is credited and stock reserve a/c is debited
- c) Consignment a/c is credited and goods sent on consignment a/c is debited
- d) Consignment a/c is debited and goods sent on consignment a/c is credited

95) To eliminate load on closing stock

- a) Consignment a/c is debited and stock reserve is credited
- b) Consignment a/c is credited and stock reserve is debited
- c) Consignment a/c is credited and closing stock is debited
- d) Consignment a/c is debited and closing stock is credited

96) The value of goods invoiced is Rs 7,50,000 at cost + 25% profit. What will be the amount of profit included is Rs

- a) Rs 1,50,000
- b) Rs 1,25,000
- c) Rs 1,20,000
- d) Rs 1,55,000

97) The value of goods invoiced is Rs 12,50,000 at cost + 25% profit. What will be the amount of profit included is Rs

- a) Rs 2,50,000
- b) Rs 3,00,000
- c) Rs 5,00,000
- d) Rs 4,50,000

98) The value of goods invoiced is Rs 5,50,000 at cost + 33.33% profit. What will be the cost price

- a) Rs 5,12,500
- b) Rs 5,62,500

c) Rs 4,12,500

d) Rs 5,00,000

99)) The value of goods invoiced is Rs 9,00,000 at cost + 50% profit. What will be the cost price

a) Rs 6,00,000

b) Rs 3,00,000

c) Rs 5,00,000

d) Rs 4,00,000

100) 100 cycles are sold at a price of Rs 500 each. What will be commission which is paid @ 5%

a) Rs 2,500

b) Rs 3,500

c) Rs 4,500

d) Rs 1,500