

## Mock Tests Questions

T.Y.B.Com Semester V

Subject: Financial Accounting and Auditing (Financial Accounting)- VII

All Questions are compulsory to attempt

Duration 1 Hour

Max Marks : 50

Choose the correct answer from the following, ( 2 marks each )

1) Which of the following should be deducted from the share capital to find out paid up capital

- a) Calls in Advance
- b) Calls in arrears
- c) Securities premium
- d) Bonus

**Ans: b) Calls in Arrears**

2) Which of the following item does not appear under the head "Reserves and Surplus" in the Balance Sheet

- a) Sinking Fund
- b) Fixed Deposits
- c) General Reserve
- d) Securities premium

**Ans: b) Fixed Deposits**

3) Which of the following denotes denotes the dividend declared by the directors between two annual general meetings

- a) Interim Dividend
- b) Final Dividend
- c) Proposed Dividend
- d) Unpaid dividend

**Ans: a) Interim dividend**

4) Company issued 1,00,000 Equity shares of Rs 10 each, Rs 8 Called up, all the money were received except Mr Vijay who is holding 100 shares has not paid Rs 2 each on his shares, the paid up amount on all shares are

- a) Rs 10,00,000
- b) Rs 8,00,000
- c) Rs 7,98,000
- d) Rs 7,92,000

**Ans: c) 7,98,000**

5) Which of the following is not classified as inventory in the financial statements

- a) Finished Goods
- b) Work in progress
- c) Stores and spares
- d) Advance payment made to suppliers for raw materials

**Ans: d) Advance payment made to suppliers for raw materials**

6) In internal Reconstruction

- a) No company is liquidated
- b) one or more companies go into liquidation
- c) Three or more companies are liquidated
- d) only one company go into liquidation

**Ans: a) No company is liquidated**

7) Share Capital (Rs 100 ) A/c \_\_\_\_\_ Dr

To Share Capital (Rs10) A/c

The entry in the scheme of internal reconstruction is of

- a) Consolidation of Shares
- b) Conversion of shares into stock
- c) Sub division of shares
- d) Conversion of stock into shares

**Ans: c) Sub division of shares**

8) Surrender of fully paid shares is

- a) Reduction of Share Capital
- b) Alteration of share capital
- c) No reduction in share capital
- d) Increase in share capital

**Ans: a) Reduction of Share capital**

9) 40% of sundry creditors (Total Rs 1,80,000) was waived by 30%, the waived amount will be

- a) Rs 72,000
- b) Rs 21,600
- c) Rs 54,000
- d) Rs 1,26,000

**Ans: b) Rs 21,600**

10) The company decided to reduce 10,000 Equity shares of Rs 10 each to Rs 4 each fully paid up, the reduced amount will be

- a) Rs 40,000
- b) Rs 1000
- c) Rs 60,000
- d) Rs 10,000

**Ans: c) Rs 60,000**

11) Balance in Capital Reduction Account is generally transferred to

- a) Profit and Loss Account
- b) Capital Redemption Reserve
- c) Capital Reserve
- d) General Reserve

**Ans: c) Capital Reserve**

12) Equity shares can be bought back out of

- a) Free reserves only
- b) Proceeds of fresh issue only
- c) Capital profit only
- d) Free Reserve ,securities premium or proceeds of shares

**Ans: d) Free Reserve ,securities premium or proceeds of shares**

13) Following is the free reserve

- a) Capital Reserve
- b) Profit and Loss Account
- c) Capital Redemption Reserve
- d) Dividend Equalisation Reserve

**Ans: b) Profit and Loss Account**

14) The buy back limit amount arrived at Rs 5,00,000 and 25% of the number of equity shares are 1000, the offer price will be

- a) Rs 500
- b) Rs 250
- c) Rs 1000
- d) Rs 100

**Ans: a)Rs 500**

15)Debt fund in a company is 15,00,000, what should be the minimum post buy back equity fund as per the debt equity ratio

- a) Rs 30,00,000
- b) Rs 15,00,000
- c) Rs 45,00,000
- d)Rs 7.50.000

**Ans: d) Rs 7,50,000**

16) Interest on fixed securities is calculated on

- a) Market Value
- b) Weighted Average Cost
- c) Nominal Value
- d) Cost

**Ans: c) Nominal Value**

17) Mr Arun purchased 6%,800 Debentures of Rs 100 each at Rs 98 cum interest, what is interest if the accrued for three months

- a) Rs 1,200
- b) Rs 1,176
- c) Rs 5,880
- d) Rs 4,800

**Ans :a) Rs 1,200**

18) Following is not the investment

- a) Debentures
- b) Bonds
- c) Equity Shares
- d) Current Account

**Ans: d) Current Account**

19)The word ethics is derived from Latin words

- a) 'ethics'
- b) 'ethos'
- c) 'ethes'
- d) 'these'

**Ans: b) 'ethos'**

20) Following is regarded as Corporate Governance

- a) No fixation of target
- b) Ignoring of stakeholders interest
- c) Reducing employees salary
- d) Achievement of companies objectives

**Ans:d) ) Achievement of companies objectives**