

Unit I- Accounting Standards

Q 1. Fill in the blanks with correct options.

- The accounting standards Board (India) was formed by the Institute of Chartered Accountants of India in April-----
 - 1977
 - 1978
 - 2001
 - 2009
- Accounting Standards in India are Issued by the
 - ICAI
 - BMCC
 - IT
 - IMA
- Accounting Standards are beneficial not only to the business enterprises but also to the.....as well.
 - accountants & auditor
 - Customers
 - Family and Country
 - Traders
- The important objective of Accounting standards is to -----the diverse accounting policies and practices at present in use in India.
 - harmonies
 - incomplete
 - complex
 - compact
- AS-7 deals with accounting for construction contracts in financial statements of -----
 - contractors
 - Accountants
 - Agents
 - Dealers
- AS -26 deals with the treatment of costs of ----- in financial statements.
 - Research & development
 - Construction contract
 - Assets
 - Risk & Rewards
- Investment made by government as equity in the ownership of an enterprise is known as -----
 - participation
 - interested
 - refundable
 - not interested
- Govt. grants become -----because of non fulfillment of the conditions attached to that grant.
 - Refundable
 - non refundable
 - overdraft
 - income

9. AS 15 deals with the accounting for retirement benefits in the financial statements of -----
- a. employers
 - b. employees
 - c. top manager
 - d. none of these
10. Revised AS 15 – Employees benefits is applicable in respect of accounting periods commencing on or after 1st April -----
- a. 2006
 - b. 1978
 - c. 2001
 - d. 2009
11. AS ----- also focuses on profit sharing and bonus plan.
- a. AS- 15
 - b. AS-21
 - c. AS- 28
 - d. AS- 7
12. AS-17 segment reporting applies to those companies which have an annual turnover of Rs. -----crores or more.
- a. 50
 - b. 80
 - c. 21
 - d. 20
13.reporting helps users of financial statements to better assess the risk and returns of the enterprise.
- a. segment
 - b. Account
 - c. statement
 - d. management
14. As per AS-19 in ----- lease risk and reward is not transferred to the lessee.
- a. operating
 - b. non operating
 - c. manageable
 - d. refundable
15. In financial lease as per As-19 leased assets is shown in the Balanced sheet of-----
- a. lessee
 - b. income
 - c. loss
 - d. refund
16. AS -20 deals with presentation and Computation of-----
- a. earnings per share
 - b. profit sharing ratio
 - c. rate of interest
 - d. solvency
17. Earning per share is very important financial ratio is computed for assessing the state of -----price of shares.
- a. Market
 - b. area

- c. shops
d. none of these
18. Right issue generally made at a price lower thanvalue of shares.
a. Fair
b. fixed
c. computing
d. fluctuating
19. Impairment assets is nothing but -----in the value of assets
a. decrease
b. increase
c. fixed
d. none of these
20. Recoverable amount of an asset is -----of selling price and value of an assets in use.
a. higher
b. lower
c. a and d only
d. fixed

Answers :-

1 – 1977	2 – ICAI	3 – Accountants and Auditor	4 – harmonies
5 – Contractors	6 – Research & development	7 – participation	8 -refundable
9 – Employers	10- 2006	11 – 15	12 – 50
13- segment	14- operating	15 – lessee	16 – Earning per share
17 – market	18 – Fair	19 – Decrease	20 - Higher

UNIT II – final Accounts and Banking Companies

Q 1. Fill in the blank with correct option.

1. The banking regulation Act -----.

- a. 1949 b.1947 c. 1932 d. 1956

2. Banking companies in India are governed by

- a. As per act 1932 b. Income Tax act c. AS-23 d. Banking Regulation Act 1949

3. An assets becomes non performing when it to generate income for bank.

- a. lease b. ceases c. computerized d. easy.

4. Banks are to recognize their income onbasis in respect of income on performing asset.

- a. Accrual b. cash c. credit d. none.

5. Banks are to recognize their income onbasis in respect of income on non performing asset.

- a. Accrual b. cash c. credit d. none.

6. Sub standard asset are certain loan asset of a bank which are classified asassets for a period not exceeding two year.

- a. non –performing b . performing c. Current d. Fluctuating.

7. The main function of ----- company are accepts deposits money

- a. Private b. Public c. Banking d. Capital marketing

8. -----asset is one which has been classified as non-performing asset for period not exceeding than----- years

- a. Fixed – 13 b. Fluctuating – 11 c. Intangible – 1 d. Substandard – 2

9. Core banking system ----- system.

- a. Bank end b. work flow c. open end d. internal

10. Every banking company should prepare a balance sheet and profit and loss accounts as on -----each year.

- a. 31st March b. 31st July C. 31st December d. None

Q 2. State true or False.

1. Banking Companies in India are governed by Banking Regulation act 1952.

2. The main function of a banking company are to accept deposits of money from the public and to lend or invest these deposits.

3. Non-Banking Assets must be shown in the Balance Sheet in scheduled 8.

4. Acceptance, Endorsements and other obligations are a contingent liability of bank.

5. Rebate of Bills discounted is an income received in advanced which is carried forward as other liability.

6. Transfer of money from one place to another i.e. mail transfer is an item to be excluded from bills payable.

7. An assets become non-performing when it ceases to generate income for a Bank.

8. Banks are to recognise their income on cash basis in respect of income on performing assets.

9. Sub-standard assets is one which has been classified as non performing asset for a period not exceeding three years.

10. Every banking company incorporated in India must transfer to the Reserve fund a sum equivalent to not less than 25% of profit of each year before declaration of dividend.

Answers :- Q1. –

1 – 1949	2 – Banking regulation act 1949	3 – cease	4 – Accrual	5 – Cash
6 – Non performing assets	7 – 13	8 – Banking	9 – Sub standard – 2yrs	10. back end

Q 2. Answers – .

1 – false	2 – true	3 – False	4 – false	5- true
6 – false	7 – true	8 –false	9- false	10- true



T.Y. B.com. UNIT –III Insurance Claim Accounts

Q: 1 Fill in the blank

1. A business takes a -----insurance policy to cover the claims for loss of stocks and loss of profit.
 - a. Fire
 - b. Life insurance
 - c. Car insurance
 - d. health insurance
2. The computation of loss by fire is very simple taken when a ----- asset is destroyed
 - a. current
 - b. long-term
 - c. fire
 - d. intangible
3. The value of stock on the date of fire can be ascertained more precisely by preparation of a -----Account
 - a. Trading A/c
 - b. memorandum transaction A/c
 - c. Balance sheet
 - d. P & L A/c
4. ----- clause is applicable in case of under insurance
 - a. average
 - b. Normal
 - c. short sales
 - d. indemnity period
5. ----- policy cover loss of gross profit sustained as a consequence of business interruption.
 - a. loss of profit
 - b. loss of stocks
 - c. average clause
 - d. loss of fixed assets
6. The period for which a policy is taken known as ----- period
 - a. indemnity
 - b. short sales
 - c. long
 - d. fixed
7. A ----- policy covers loss of stock, fixed asset, profit, expenses etc.
 - a. compact
 - b. comprehensive
 - c. horizontal
 - d. operating
8. Insured standing charges are the -----
 - a. fixed charges
 - b. horizontal charges
 - c. fluctuating
 - d. current charges

9. ----- ratio indicates the relationship of gross profit to net sales in terms of percentage.
- | | |
|---------------------|---------------------|
| a. Gross profit | b. Net profit |
| c. debtors turnover | d. capital employed |
10. Due to the inclusion of average clause in the fire insurance policy , an insured becomes a -----in the event of under insurance.
- | | |
|---------------|--------------|
| a. co-insurer | b. provision |
| c. profit | d. loss |

Q 2. State true or False

1. The Insurance Company cannot prevent the happening of risk but provide for losses at the happening of risk.
2. Insurance is a financial service for collecting the saving of the public and providing them with a risk of a coverage.
3. A marine insurance policy is taken to cover the claims for loss of stock.
4. The amount paid by insured to insurer as a consideration is known as premium.
5. General insurance business in India is transacted by Life Insurance Corporation of India.
6. A memorandum trading account is to be prepared to ascertain the value of stock on the date of fire.
7. A policy of fire insurance is intended to protect the assured against the loss caused by fire.
8. Gross profit must always be calculated as a percentage on purchase .
9. Average clause is applicable in case of under insurance.
10. A fire policy covers loss of or damaged to insured property.

Answers :- Q 1 ----

1 – Fire	2 – Fixed	3 – Memorandum trading A/c	4 –Average	5 –Loss of Profit
6 – Indemnity	7 – Comprehensive	8 –Fixed Charges	9 – G.P.ratio	10 – Co insurer
Answers – Q 2 ----				
1 – True	2 – True	3 – False	4 – True	5 – False
6 – True	7 – true	8 – False	9 – True	10 – True.



UNIT 4 Final Accounts of Cooperative Societies.

Q:1. Fill in the blanks.

1. The employment of achieving additional income is termed as.....
 - a. Investment
 - b. Profit
 - c. Interest
 - d. loss
2. A society which as proclaimed as its objective the..... of economic interest of its member
 - a. Promotion
 - b. Demotion
 - c. Recession
 - d. none of these
3. Maharashtra co-operative Society Act.....
 - a. 1960
 - b. 1949
 - c. 1986
 - d. 1932
4. The word Is working together for common purpose.
 - a. Co-operation
 - b. co-education
 - c. Interest
 - d. enactment
5. The Maharashtra co-operative Society Rules Act
 - a. 1960
 - b. 1961
 - c. 1932
 - d. 1962
6. All sums of received and expended by the Society and the matters in respect of which receipts and expenditure take place.
 - a. Money
 - b. Profit
 - c. Interest
 - d. Income
7. Managing committee of every Society shall prepare annual statement of accounts within days.
 - a. 42
 - b.45
 - c. 2 yrs.
 - d. 48
8. Transactions involving receipt in are recorded on receipt side of cash book.
 - a. Cash
 - b. Profit
 - c. Interest
 - d. loss
9. Rule number 61 of the Maharashtra Co-operative Society Rule 1961- the society has to prepare final statement within days.

- a.45
c. 21
- b. 48
d. 2 yrs
10. Interest paid and payable comes to the side of the profit and loss account.
- a. Expenditure
c. Interest
- b. Receipt
d. income
11. Dividend received on shares is comes to the side of profit and loss account.
- a. Income
c. Interest
- b. Profit
d. loss
12. The investment on hand at the end of the period are valued at cost price or market whichever is
- a. Less
c. Add
- b. included
d. excluded
13. is mentioned in the balance sheet as foot note.
- a. Contingent liability
c. debtors
- b. preliminary expenses
d. closing stock
14. fund is for the purpose of construction of building for the business of the Society.
- a. building fund
c. Education Fund
- b. Reserve fund
d. Loans and advances
15. The Fund cannot be utilized for payment of dividend as bonus.
- a. building fund
c. Education Fund
- b. Reserve fund
d. Loans and advances
16. A co-operative Society may create out of its net profit for payment of bonus to person who are not its members.
- a. bonus equalization fund
c. Education Fund
- b. Reserve fund
d. Loans and advances
17. Reserve for doubtful debts is stands for
- a. RDD
c. Baddebts
- b. Reserve fund
d. Loans and advances
18. are not formed for earning profit.
- a. co-operative scty
c. HUF
- b. Public Company
d. Private Company

19. Deposits from Society and individuals should be shown separately to the side of balance sheet.

- a. Liabilities
- b. Current Assets
- c. Education Fund
- d. Fixed Assets

20. The primary objective in the formation of Co-operative credit Society is

- a. promoting of saving
- b. To Maintain Stock Register
- c. A and C only
- d. to get maximum profit

Answers :-

1 – Investment	2 – Promotion	3 – 1960	4 – Co-operation
5 – 1961	6 – Money	7 – 42	8 – cash
9 – 45	10 – Expenditure	11 – Income	12 – Less
13 – Contingent Liability	14 – Building Fund	15 – Reserve	16 – Bonus Equalization Fund
17 – RDD	18 – Co-operative Society	19 – Liability	20 – Promotion of Savings.

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Unit 5- Computerised Accounting practices

Q 1. Fill in the blanks

1.is the source of Government to increase their revenue.
A Tax. B. Profit
C. memorandum D Expenses
2. GST stands for.....
A Goods and service tax. B. Government Service tax
C. God down Surcharge D B and C
3.is the motive given to the parliament and legislation of every state
A . one nation one tax B. Live and let live
C. Health is Wealth D. learn and earn
4.collected by central government on an Intra state sale.
A. CGST B. SGST
C. IGST D GST
5.Collected by the State Government on an Intra state sale.
A. CGST B. SGST
C. IGST D GST
6.Collected by the Central Maharashtra for Inter state sale.
A. CGST B. SGST
C. IGST D GST
7.andwill share revenue equally between the central and State.
A. CGST & SGST B. SGST & IGST
C. IGST & CGST D GST & IGST
8. on.....the GST law came into the force.
A. 1st July 2017 B. 2nd June 2018
C. 1st June 2017 D. 18th July 2019
9.is an Indirect Tax which has replaced many indirect taxes in India.
A. CGST B. Income TAX
C. IGST D Service Tax
10. The online version of collecting tax was introduced in the year.....
A. 2004 B. 2006
C. 2005 D 2015

Answers -

1. Tax
2. Goods and Service Tax
3. One nation one tax
4. CGST
5. SGST
6. CGST
7. CGST & SGST
8. 1st July 2017
9. GST
10. 2004.



Unit : 6 Branch Account

Q.1 Fill the blanks

1) ___ method of branch accounting is usually adopted when the branch is of the small size.

- A Treading.
- B. Balance sheet
- C. memorandum
- D debtors

2) The normal and abnormal stock of goods doesn't appear in branch account as the closing stock is at the ___ figure.

- A. Adjusted
- B profit.
- C balance.
- D loss

3) Stock and Debtors method of branch accounting is generally used where branch turnover is substantially ____

- A loss
- B lower
- C High.
- D Profit

4) Under analytical method of branch accounting a branch stock account is generally to ascertain any ___ in stock.

- A shortage or surplus
- B advance
- C.debit
- D credit

5) Loading on surplus in stock is ___ to Branch Adjustment Account.

- A debit.
- B credit.
- C liability.
- D trading

6) Under Stock and Debtors System general income is credited to ___ account

- A .balance sheet
- B. branch stock account
- C. stock and Debtor System
- D. branch profit and loss

7) In Branch Accounting the balance on stock reserved Account at the end of the period is shown in the balance sheet by the way of deduction from ____

- A. opening stock.
- B. reserved stock.
- C closing stock.
- D. profit or loss

8) Goods sent by the head office at the end of the year but not received by Branch before the year ended is known as ____

- A goods in transit
C shortage.
- B. loss by fire
D. loss
- 9) the closing balance of book debts account is ascertained by preparing branchAccount.
- A. stock
C. Debtors
- B. trading.
D. adjustment
- 10) The removal of loading from the items of branch stock is adjusted through branch ___ Account
- A. adjustment
C. Stock
- B. debtor.
D. profit and loss
- 11) A ___ is generally a physical part of the business established under the same roof.
- A. Surplus.
C. Department
- B. Depreciation
D. Surplus
- 12) A ___ system of departmental account is more convenient where the number of department are very small
- A. Mutual.
C. Debtor's.
- B. Branch.
D. Profit and loss
- 13) All items of stock in Trading and Profit and loss Account are to be converted into cost price if these are given at an _____
- A. Profit ratio.
C. Balance.
- B. market price
D. Invoice price
- 14) Foreign Branch almost invariably trade independently and records their transaction in _____
- A. cost price
C. Foreign currency
- B. Market value
D invoice price
- 15) To fulfill the audit requirements under section ___ of the company act 1956
- A. (B) 156 B. 228 C. (a) i 30. D 200

Q.2 State the statement true or false.

- 1) The branches which are totally dependent on head office are also termed as Agency Branches.

- 2) The independent branches are autonomous as they are allowed to make their own purchases from open markers and pay for their expenses.
- 3) Actual petty expenses paid by branch from petty cash are to be shown separately in Branch Account.
- 4) The method of Branch Accounting varies with the nature and the status of branch.
- 5) Dependent branch doesn't keep any book of account as their entire Accounting work is performed by the head office.

Answers

Q.1

1) D. Debtor's
2) A. Adjusted
3) C High.
4) A shortage or surplus
5) B credit
6) D branch profit and loss
7) C closing stock.
8) A goods in transit
9) C Debtors
10) A adjustment
11) C. Department
12) A. Mutual
13) D. Invoice price
14) C. Foreign currency
15) B. 228
Q2 -
1) True
2) True
3) False
4) True
5) True

Unit : 7 Single entry system

Q.1 Fill the blanks

1) ____ system of book keeping is the only scientific method to record farming transaction.

A. Single entry B. Double entry C. Balancesheet D. Adjustment A/c

2) In single entry system it's difficult to detect ____

A. Account B. Fraud. C. Profit. D. Gross profit

3) Single entry constitutes incomplete records rather than single entry ____

A. credit. B. Profit. C. Accounting. D. Net profit

4) Under pure single entry system only ____ Account are kept.

A. Personal B. double entry C. Assets D. None of these

5) Under the ____ entry system personal accounts, cashbook and other subsidiary books are kept separately.

A. Pure single B. Quasi single C. Simple single D. Double entry

6) ____ Accounting is mainly concerned with the future management planning.

A. Personal. B. Quasi single entry C. Pure single entry D. Management

7) In ____ entry system no records are kept for real or nominal Account.

A. Quasi single B. pure single C. Simple single D. Double entry

8) Most of the farming transactions are transacted on ____ basis.

A. Double entry B. Creditors. C. Surplus. D. Cash

9) In single entry system it's difficult to operate ____ system

A. Pure single B. Single entry C. Internal control D. Quasi single

10) In single entry system it's difficult to exercise control over ____.

- A. Asset B. Management C. Single entry D. Pure single entry

11) Under ____ entry system, Personal Accounts and Cash Book are kept separately.

- A. Simple single B. Pure single. C. Quasi single. D. Double entry

12) Under statement of affairs method which is also termed as ____.

- A. Single entry system
B. Quasi single entry system
C. Capital comparison method
D. Double entry system

13) If the closing capital is more than the opening capital it's shows an increase in capital which means a _____

- A. Profit. B. Shares. C. Account. D. Operating capital

Q.2 State the statement true or false.

1. Under single entry system arithmetical accuracy of the Accounting records can be checked.
2. Single entry system is mixture of single entry, double entry and no entry.
3. They record a few transaction completely just like the double entry system but a majority of the transactions are recorded only partially is known as incomplete records.
4. Under single entry system the profit and loss can be found out and also it's comparison will be available.
5. True profit and losses can't be ascertained because Trading and Profit and loss account can't be prepared.

Answers
Q.1
1) B. Double entry
2) B. Fraud
3) C. Accounting
4) A. Personal
5) B. Quasi single
6) D. Management
7) B.pure single
8) D. Cash
9) C. Internal control
10) A. Asset
11) C.Quasi single.
12) C. Capital comparison method
13) A. Profit
Q.2
1) False. (Can not)
2) True
3) True
4) False. (it's comparison will not be available)

UNIT -8 Analysis of Financial Statements

Q1. Select correct option and write the answer.

1. When the concept of ratio is defined in respect to the item shown in the financial statements, it is termed as
 - a. Accounting ratio
 - b. Financial ratio
 - c. Costing ratio
 - d. None of the above
2. The relationship between two financial variables can be expressed in:
 - a. Pure ratio
 - b. Percentage
 - c. Rate or time
 - d. Either all the above
3. Stock is considered as a liquid asset as anytime it can be converted into cash immediately.
 - a. Yes
 - b. No
4. Return on properties funds is also known as.
 - a. Return on net worth
 - b. Return on shareholders fund
 - c. Return on the shareholders investment
 - d. All the above
5. What will be the Gross Profit if, total sales is Rs 2,60,000, cost of net goods sold is Rs 2,00,000 & sales return is Rs 10,000 ?

- a.13 %
- b.28%
- c.26%
- d.20

6. Liquid asset is determined by

- a.Current asset - stock - prepaid expense
- b.Current asset + Stock +prepaid expense
- c. Current asset + prepaid expense
- d.None of the above

7. Which of the following is not included in current assets.

- a. Debtors
- b. Stock
- c. Cash at bank
- d. Cash in hand

8. Liquidity ratios are expressed in

- a. Pure ratio form
- b. Percentage
- c. Rate or time
- d.None of the above

9. Working capital turnover ratio can be determined by :

- a. (Gross profit / Working capital)
- b. (Cost of goods sold / Net sales)
- c. (Cost of goods sold / Working capital)

- d. None of the above

10. Determine Working capital turnover ratio if, Current asset is Rs 1,50,000, current liability is Rs 1,00,000 & cost of goods sold is Rs 3,00,000.

- a. 5 times
- b. 6 times
- c. 3 times
- d. 1.5 times

11. The ratio analysis is helpful to management in taking several decisions, but as a mechanical substitute for judgement and thinking, it is worse than useless.

- a. True
- b. False

12. Profit for the objective of calculating a ratio may be taken as

- a. Profit before tax but after interest
- b. Profit before interest & tax
- c. Profit after interest & tax
- d. All the above

13. If sales is Rs 5,00,000 & net profit is Rs 1,20,000 Net profit ratio is

- a. 24%
- b. 416%
- c. 60%
- d. None of the above

14. General profitability ratios are based on

- a. Investment
- b. Sales
- c. A & B
- d. None of the above

15. Determine stock turnover ratio if, Opening stock is Rs 31,000 , Closing stock is Rs 29,000, Sales is Rs 3,20,000 & Gross profit ratio is 25% on sales.

- a. 31 times
- b. 11 times
- c. 8 times
- d,32 times

Answers :-
1. Accounting Ratio
2. All of the above
3. No.
4.All of these
5. 20 %
6.Current assets – stock –prepaid expenses
7. stock
8. pure ratio form
9. Cost of goods sold/net sales
10.6 times
11.True
12. All of these
13. 24%
14. Sales
15 - 8 times