

MCOM PART II (SEM III)/PAPER CODE-72201/ADVANCED FINANCIAL ACCOUNTING
QUESTION BANK

1. If a foreign operation which sells goods imported from the reporting enterprise and remits the proceeds to the reporting enterprise, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
2. If the change in the exchange rate affects the individual monetary items held by the foreign operation rather than the reporting enterprise's net investment in that operation, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
3. If the change in the exchange rate affects the reporting enterprise's net investment in that operation rather than the individual monetary items held by the foreign operation, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
4. If transactions with the reporting enterprise are not a high proportion of the foreign operation's activities, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
5. If the activities of the foreign operation are financed mainly from its own operations or local borrowings rather than from the reporting enterprise, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
6. If the foreign operation's sales are mainly in currencies other than the reporting currency, it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
7. If the foreign operation's sales are mainly in currencies other than the reporting currency it is
 - a) An Integral Foreign Operation
 - b) A Non-integral Foreign Operation
 - c) Either (a) or (b)
 - d) Neither (a) nor (b)
8. Monetary items of Integral Foreign Operation at the balance sheet are translated at
 - a) exchange rate at the date of transaction
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value
9. Tangible Fixed assets of Integral Foreign Operation carried at cost are translated at
 - a) exchange rate at the date of purchase of asset
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value
10. Depreciation on Fixed assets of Integral Foreign Operation carried at cost are translated at
 - a) exchange rate at the date of purchase of asset
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value

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11. Tangible Fixed assets of Integral Foreign Operation carried at fair value are translated at
 - a) exchange rate at the date of purchase of asset
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value
12. Cost of inventories of Integral Foreign Operation is translated at
 - a) Closing exchange rate
 - b) Average exchange rate during the year
 - c) Exchange rates that existed when the cost of inventory was incurred
 - d) Opening exchange rate
13. Any goodwill or capital reserve arising on the acquisition of a non-integral foreign operation is translated at
 - a) Exchange rate at the date of transaction
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value
14. A contingent liability disclosed in the financial statements of a non-integral foreign operation is translated at
 - a) Exchange rate at the date of transaction
 - b) Closing exchange rate
 - c) Average exchange rate during the year
 - d) Exchange rate on date of valuation at fair value
15. Credit balances in overdrafts are shown by a bank as
 - a) Borrowings
 - b) Other Liabilities
 - c) Demand Deposits
 - d) Balances with Banks
16. Inoperative current account balances are shown by a bank as
 - a) Borrowings
 - b) Term deposits
 - c) Demand Deposits
 - d) Balances with Banks
17. Interest payable on deposits which is accrued but not due is shown under
 - a) Deposits
 - b) Advances
 - c) Other liabilities
 - d) Contingent Liabilities
18. Unclaimed dividend is shown by a bank under
 - a) Deposits
 - b) Advances
 - c) Other liabilities
 - d) Contingent Liabilities
19. Endorsements are shown by a bank under
 - a) Deposits
 - b) Advances
 - c) Other liabilities
 - d) Contingent Liabilities
20. Rebate on bill discounted is shown in the
 - a) Assets side of the balance sheet
 - b) Liabilities side of the balance sheet
 - c) Income side of the income statement
 - d) Expense side of the income statement
21. Employee security deposit is shown by a bank under
 - a) Deposits
 - b) Advances
 - c) Other liabilities
 - d) Contingent Liabilities
22. Building acquired in satisfaction of a claim is shown by a bank under
 - a) Fixed assets
 - b) Current assets
 - c) Other assets
 - d) Contingent assets
23. Letters of credit are shown by a bank under
 - a) Deposits
 - b) Advances
 - c) Other liabilities
 - d) Contingent Liabilities
24. Interest Accrued is shown in the final accounts of a bank in
 - a) Schedule 3
 - b) Schedule 4
 - c) Schedule 5
 - d) Schedule 6

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34. An insurer carrying on General insurance business shall comply with the requirements of the following Schedule of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations,
a) Schedule A b) Schedule B c) Schedule C d) Schedule D
35. The Audit Report for an insurer carrying on General insurance business shall comply with the requirements of the following Schedule of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Co.)
a) Schedule A b) Schedule B c) Schedule C d) Schedule D
36. In the event of loss covered by re-insurance,
a) The insured has to make a claim for proportionate amount against the original insurer and there-insurer
b) The insured has to make a claim for full amount against the re-insurer
c) The re-insurer has to make a claim for full amount against the original insurer
d) The insured has to make a claim for full amount against the original insurer
37. Premium shall be recognised as income
a) When received
b) When due
c) When received or due whichever is earlier
d) When received or due whichever is later
38. Acquisition costs related to the acquisition of new and renewal insurance contracts
a) Shall be expensed in the period in which they are actually paid
b) Shall be expensed over the period of the related policies
c) Shall be expensed in the period in which they are incurred
d) Shall be capitalized in the period in which they are incurred
39. Unrealised gains / losses arising due to changes in the fair value of listed equity shares insurance company
a) shall be ignored
b) shall be deducted from the Policyholders Fund
c) shall be taken to equity under the head 'Fair Value change Account'
d) shall be deducted from the general Reserve.
40. In this case the members are the owners of the property
a) Tenant Co-partnership Societies
b) House Mortgage Societies
c) Tenant Ownership Societies
d) House Construction Societies
41. In the case of such societies, the Land and Building do not appear in the Balance Sheet
a) Tenant Co-partnership Societies
b) House Mortgage Societies
c) Tenant Ownership Societies
d) House Construction Societies
42. Contribution towards the sinking fund
a) 25 % of the net profits each year
b) 36 per member per year
c) 1/4% of the cost of the flat per annum from each member
d) Rs 1/-per member

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43. Value of Share of each member in capital of the society
a) Rs250 b) Rs 300 c) Rs 1,500 d) Rs 3,000
44. Non-occupancy Charges contamos
a) 1/-per member b) at 10% of service charges
c) Rs 250 d) Rs 36 per member per year
45. Bye Law No. 67
a) Composition of the Charges of the Society
b) Break-up of Service Charges of the Society
c) Sharing of the Society Charges by the Members
d) Parking Charges
46. Bye Law No. 68
a) Composition of the Charges of the Society
b) Break-up of Service Charges of the Society
c) Sharing of the Society Charges by the Members
d) Parking Charges
47. Bye Law No. 69
a) Sharing of the Society Charges by the Members
b) Parking Charges
c) Interest on Delayed Payment of Charges
d) Non-occupancy Charges
48. Bye-Law No. 84
a) Break-up of Service Charges of the Society
b) Sharing of the Society Charges by the Members
c) Parking Charges
d) Interest on Delayed Payment of Charges
49. Tools and Equipment are shown in the balance sheet of a co-operative society.
a) Under Fixed Asset b) Under Current Asset
c) Separately d) Miscellaneous Expenditure
50. Register of audit objection is required to be maintained by a
a) Bank b)Life Insurance Company
c) General Insurance Company d) Co-operative Society