

TYBCOM (SEM VI)/PAPER CODE: 11101/ FINANCIAL ACCOUNTING

QUESTION BANK

| SR NO | QUESTION | OPTION A | OPTION B | OPTION C | OPTION D | CORRECT OPTION | |
|-------|---|---|-------------------------------------|----------------------------|-----------------------------------|----------------|---|
| 1 | The company amalgamated into another company is _____ company. | transferor | New | transferee | Purchasing | a | transferor |
| 2 | Amalgamation needs to be approved by _____ % of shareholders. | 75% | 65% | 55% | 57% | a | 75% |
| 3 | According to AS 14, Transferor Company means the Company | which is amalgamated into another Company | into which a Company is amalgamated | which is newly formed | Purchasing Company | a | which is amalgamated into another Company |
| 4 | In case of purchase method, transferee company should record assets at _____. | book value | cost | market value | agreed value | d | agreed value |
| 5 | On amalgamation, Profit & Loss A/c (Dr.) balance of the vendor company is closed by _____ | debit to Realisation A/c | debit to Equity Shareholders A/c | debit to Profit & Loss A/c | credit to Equity Shareholders A/c | b | debit to Equity Shareholders A/c |
| 6 | As per the Balance Sheet of Shree Ltd. Fixed Assets Rs. 2,50,000, Current Assets Rs. 2,70,000, Creditors Rs. 1,20,000 and Share Capital Rs. 3,20,000. Shree Ltd. absorbed by Ram Ltd. for a consideration of Rs. 3,50,000. Calculate Profit or loss on realisation was Rs _____ | 50,000 Profit | 50,000 Loss | 30,000 Profit | 4,00,000 Loss | b | 50,000 Loss |
| 7 | Raman Ltd takes over business of Karan Ltd. and agrees to pay Rs. 50,000 in cash and allot to Karan Ltd. 50,000 equity shares of Rs.100 each fully paid at an agreed value of Rs. 150 per share. Calculate total amount of consideration_____ | 75,50,000 | 50,50,000 | 25,50,000 | 74,50,000 | a | 75,50,000 |
| 8 | A Ltd takes over by B Ltd. Net Assets of A Ltd. Rs.8,50,000. B Ltd settled the consideration by issuing fully paid shares of Rs. 100 each at par to A Ltd was Rs. 9,00,000. Calculate total amount of Goodwill in B Ltd. | 50,000 | 1,00,000 | 70,000 | 1,20,000 | a | 50,000 |

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| 9 | Purchase consideration under payment method in amalgamation is ____. | Payment to shareholders | Payment to debentureholders | Payment to preference shareholders | Payment of expenses | a | Payment to shareholders |
| 10 | A Ltd and B Ltd. form into a new company AB Ltd. Net Assets of A Ltd. and B Ltd was Rs.6,50,000 and 7,20,000 respectively. AB Ltd settled the consideration by issuing fully paid shares of Rs. 100 each at par to A Ltd was Rs. 6,00,000 and to B Ltd Rs. 6,50,000. Calculate total amount of Capital Reserve in AB Ltd. | 1,20,000 | 1,00,000 | 6,00,000 | 80,000 | a | 1,20,000 |
| 11 | The depreciation on fixed assets is converted at rate ____. | on date of Balance Sheet | average during year | date of purchase | reopening date of year | c | date of purchase |
| 12 | Closing rate means_____. | is the exchange rate at the balance sheet date | is the mean of the exchange rates in force during a period | is the ratio for exchange of two currencies | is the rate at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction | a | is the exchange rate at the balance sheet date |
| 13 | The interest accrued on loan as on date of Balance Sheet is converted at rate on date of ____. | of payment | of Balance Sheet | of loan borrowed | average of of Balance Sheet and of loan borrowed | b | of Balance Sheet |
| 14 | On 10th January, 2020; ABC Ltd. brought goods from USA dealer for \$ 1,00,000. first instalment was of \$ 60,000 paid on 2nd February, 2020 and remaining amount paid on 2nd March, 2020. The exchange rate was : 10th January 2020 : \$ 1 = Rs. 70, 2nd February, 2020 : \$ 1 = Rs.71 and 2nd March, 2020: \$1 = 69. The amount of net difference in exchange transferred to Profit & Loss Account is ____. | 20,000 | 50,000 | 60,000 | NIL | a | 20,000 |

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| 15 | On 10th January, 2020; ABC Ltd. invoiced goods to its USA client for \$ 50,000 payment was received in two equal instalments. First instalment was received on 2nd February, 2020 and second instalment received on 2nd March, 2020. The exchange rate was : 10th January 2020 : \$ 1 = Rs. 70, 2nd February, 2020 : \$ 1 = Rs.71 and 2nd March, 2020: \$1 = 69. The amount of net difference in exchange transferred to Profit & Loss Account is ____. | 50,000 | 25,000 | NIL | 3,00,000 | c | NIL |
| 16 | Contingent liability denominated in foreign currency at the Balance Sheet date by using the ____ rate. | closing | opening | Average rate | foreign | a | closing |
| 17 | Inventory is an example of ____ item . | Expense | monetary | Non-monetary | Liabilities | c | Non-monetary |
| 18 | The exchange difference arising due to import of raw material is transferred to ____. | purchase | trading | Profit & Loss Account | suppliers | c | Profit & Loss Account |
| 19 | B Ltd. purchased a plant from UK on 1st March, 2020 but has not been paid for by 31st March, 2020; the date of closing the books. The cost of the plant was \$ 2,00,000. The exchange rates were : 1st March, 2020 : \$ 1 = Rs. 73, 31st March, 2020 : \$ 1 = Rs. 71 The exchange difference is ____. | Rs. 4,00,000 | Rs. 1,00,000 | Rs. 2,00,000 | Rs. 2,50,000 | a | Rs. 4,00,000 |
| 20 | On 1st January, 2020; XYZ Ltd. invoiced goods to its USA client for \$ 60,000 payment was received on 20th March, 2020. The exchange rate was : 1st January 2020 : \$ 1 = Rs. 69, 20th March, 2020 : \$ 1 = Rs.68. The amount of difference in exchange transferred to Profit & Loss Account is ____. | Rs. 30,000 | Rs. 60,000 | Rs. 40,000 | Rs. 50,000 | b | Rs. 60,000 |

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| 21 | when a company is wound up, all persons who ceased to be the shareholders within a year before the winding up are placed in the _____ list of contributors. | A | B | C | D | b | B |
| 22 | Interest on debenture and unsecured loan is payable upto the date of actual payment | if the company is solvent | if the company is insolvent | whether the company is solvent or inso | if the company is bankrupt | b | if the company is solvent |
| 23 | All contributions payable during the 12 months next under the Employees State Insurance Act, 1948 | are treated as overriding preferential creditors | are treated as preferential creditors unless the company is being wound up voluntarily for the purpose of reconstruction | are treated as unsecured creditors | are treated as preferential creditors unless the company is being wound up compulsorily by the Court | b | are treated as preferential creditors unless the company is being wound up voluntarily for the purpose of reconstruction |
| 24 | List 'E' in statement of affairs gives the list of | Preferential creditors | Debenture holder | Unsecured creditor | Secured creditors | c | Unsecured creditor |
| 25 | Any sum due to an employee out of provident fund is an example of _____ | Unsecured Creditors | Preferential creditors | Secured creditors | Partly secured creditors | b | Preferential creditors |
| 26 | Bills were discounted to the extent of ₹ 10,000 of which bills of ₹ 4,000 are likely to be dishonoured. Hence, the liability to rank in respect of these bills will be | 10000 | 4000 | 6000 | 14000 | b | 4000 |
| 27 | When winding up takes place, shareholders are described as _____. | contributors | Unsecured Creditors | preferential creditors | Equity share capital | a | contributors |
| 28 | Equity shareholders are _____. | priority claimant | second claimant | last claimant | no claimant | c | last claimant |
| 29 | Retirement benefit of employees exceed Rs. 20000 per employee is considered as _____. | Unsecured creditors | preferential creditors | secured creditors | Partly secured creditors | b | preferential creditors |
| 30 | In compulsory winding up, liquidator's final statement of A/c is submitted to the _____. | court | share holders | promoters | public | a | court |
| 31 | The underwriting commission in case of Rs. 4 lakh preference shares capital subscribed to by the public, under Ministry of Finance guidelines, should not exceed | 2.50% | 1% | 2% | 1.50% | d | 1.50% |

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| 32 | R Limited issued a debenture of ₹ 100 each at ₹ 90. The underwriting commission will be paid on | 100 | 95 | 105 | 90 | d | 90 |
| 33 | Unmarked applications refers to | Applications bearing the stamp of the underwriters | Applications from public received directly by the company without bearing any stamp of underwriters | Applications issued by the company to underwriters | Application bearing Government stamp | b | Applications from public received directly by the company without bearing any stamp of underwriters |
| 34 | According to the Companies Act, the commission payable to underwriter for underwriting shares should not exceed ____ %. | 5 | 10 | 2.5 | 1.5 | a | 5 |
| 35 | Mr. X has underwritten 40,000 shares, but the public applied for 50,000 shares. Therefore, Mr. A will get commission on the issue price of shares. | 50000 | 90000 | 10000 | 40000 | d | 40000 |
| 36 | Under partial underwriting, the company itself becomes the underwriter for the shares | Underwritten | not underwritten | paid up | issues | b | not underwritten |
| 37 | MP Ltd. Issued shares of face value of Rs. 100 each at par. The MV is Rs. 120 cost is Rs. 90. the underwriting commission will be paid on ____. | Rs. 100 | Rs80 | Rs.120 | Rs.150 | a | Rs. 100 |
| 38 | As per SEBI guildlines underwriting commission for preference shares and debenture upto Rs. 500000 should not exceed ____. | 2% | 2.7% | 2.5% | 5% | c | 2.5% |
| 39 | An underwriter is a person who ____. | underwrites the issue | finds buyers for the shares | is a broker | is a promoter | a | underwrites the issue |
| 40 | SV Ltd. Issued a 10% debenture of Rs. 100 each at par. The underwriting commission will be paid on ____. | Rs. 100 | Rs. 80 | Rs.120 | Rs.150 | a | Rs. 100 |
| 41 | Every LLP has to prepare a statement of accounts on or before ____ every year. | 30 th September | 30 th April | 30 th June | 30 th November | a | 30 th September |

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| 42 | LLP is registered under ____ Act. 2008. | NCLT | LLP | ICAI | Indian Companies Act 1956 | b | LLP |
| 43 | Maximum number of partners in LLP is _____. | 20 | 50 | 100 | No limit | d | No limit |
| 44 | LLP can be dissolved by the order of _____. | NCLT | High court | District Court | Supreme Court | a | NCLT |
| 45 | The Trial balance of Sanjay & Ajay Ltd as on 31st March, 2020 shows Bad Debts ₹ 400 Provision for Bad & Doubtful Debts ₹ 750 Debtors ₹ 17,500 . Provision for doubtful Debts to be maintained at 5% of Debtors. The amount of provision for doubtful Debt will be : | ₹ 870 | ₹ 875 | ₹ 900 | ₹ 920 | b | ₹ 875 |
| 46 | A partner of LLP has the following right, only if provided in the LLP agreement | participate in the management of the LLP | get remuneration for participating in the management of LLP | share equal profits in the LLP | transfer his right to share in the profit/losses of the LLP | b | get remuneration for participating in the management of LLP |
| 47 | A Limited Liability Partnership whose turnover exceeds ₹ _____ is required to annually get their accounts audited by any Chartered Accountant in practice. | 40 Lakh | 1 lakh | 25 Lakh | 50 lakh | a | 40 Lakh |
| 48 | _____ days notice to LLP for resignation by an auditor. | 14 | 30 | 15 | 21 | a | 14 |
| 49 | An organisation running a business has the following attributes: the assets belong to the organisation, it can create a floating charge over its assets, change in membership does not alter its existence, and members cannot transfer their interests to others. What type of organisation is it? | A private limited company | A limited liability partnership | A general partnerships | A private limited company | b | A limited liability partnership |
| 50 | Agreement of LLP is in Form No. _____. | 3 | 8 | 9 | 11 | a | 3 |