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	1) 4 11 15 1 0 11			
	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	· · · · · · · · · · · · · · · · · · ·			
	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 ent	•			
	a) An Integral Foreign Operation	b) A Non-integral Foreign Operation			
	c) Either (a) or (b)	d) Neither (a) nor (b)			
6.		urrencies 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 va	alue			

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

	QUES	STION BANK	
11. Tangible Fixed ass	ets of Integral Foreign Op	eration carried at fair value	are translated at
_	t the date of purchase of		
b) Closing exchang	-		
c) Average exchan	ge rate during the year		
· · · · · · · · · · · · · · · · · · ·	on date of valuation at fair	r value	
	s of Integral Foreign Oper		
a) Closing exchang			
, ,	ge rate during the year		
,	• •	st of inventory was incurred	
d) Opening exchar		,	
13. Any goodwill or ca	pital reserve arising on th	ne acquisition of a non-integ	gral foreign operation is
translated at		·	
a) Exchange rate a	t the date of transaction		
b) Closing exchang	ge rate		
,	ge rate during the year		
_	on date of valuation at fair	r value	
		ial statements of a non-inte	egral foreign operation is
translated at	•		
a) Exchange rate a	t the date of transaction		
b) Closing exchange	ge rate		
c) Average exchan	ge rate during the year		
_	on date of valuation at fair	r 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 currer	nt account balances are sh	nown by a bank as	
a) Borrowings	b) Term deposits	c) Demand Deposits	d) Balances with Banks
17. Interest payable o	n deposits which is accrue	ed but not due is shown und	der
a) Deposits	b) Advances	c) Other liabilities	d) Contingent Liabilities
18. Unclaimed divider	nd is shown by a bank und	ler	
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 disc	ounted is shown in the		
a) Assets side of th	ne balance sheet	b) Liabilities si	de of the balance sheet
c) Income side of t	the income statement	d) Expense sid	e of the income statement
21. Employee security	deposit is shown by a ba	nk under	
a) Deposits	b) Advances	c) Other liabilities	d) Contingent Liabilities
22. Building acquired	in satisfaction of a claim is	s shown by a bank under	
a) Fixed assets	b) Current assets	c) Other assets	d) Contingent assets
23. Letters of credit ar	e shown by a bank under	-	
a) Deposits	b) Advances	c) Other liabilities	d) Contingent Liabilities

c) Schedule 5

d) Schedule 6

24. Interest Accured is shown in the final accounts of a bank in

b) Schedule 4

a) Schedule 3

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

- 25. Money at Call and short notice is shown in the balance sheet of a bank
 - a) Schedule 7

- b) Schedule 6
- c) Schedule 5
- d) Schedule 4
- 26. Bills Purchased and Discounted are shown in the balance sheet of a Bank
 - a) In the notes forming part of balance sheet of a Bank under contingent liabilities
 - b) In the Schedule of Other Liabilities and Provisions
 - c) In the Schedule of Deposits
 - d) In the Schedule of Advances
- 27. Advances in India are classified in the balance sheet of a bank under
 - a) (i) Due from Banks; (ii) Due from Others (a) Bills purchased and discounted; (b) Syndicated Loans; (c) Others
 - b) (i) Priority Sectors; (ii) Public Sector; (iii) Banks; (iv) Others
 - c) (i) Secured by Tangible assets; (ii) Covered by Bank/Government Guarantees; (iii) Unsecured
 - d) (i) Bills Purchased and Discounted; (ii) Cash Credits; (iii) Overdrafts
- 28. Inter-office Adjustments (net) will appear in the balance sheet of a bank
 - a) Under 'Other Liabilities' only
 - b) Under 'Other Assets' only
 - c) Either under 'Other Liabilities' or 'Other Assets'
 - d) Both under 'Other Liabilities' or 'Other Assets' as contra
- 29. Discount on Bills is shown by a bank
 - a) In Schedule of Advances

b) In Schedule of Interest Earned

c) In Schedule of Other Income

d) In Schedule of Interest Expended

- 30. Loss on Revaluation of Investments
 - a) Is shown by a bank on the face of the main profit and loss account
 - b) Is shown by a bank in Schedule of Operating Expenses
 - c) Is shown by a bank in Schedule of Other Income
 - d) Is ignored being a mere book entry
- 31. Commission, Exchange and Brokerage is shown by a bank
 - a) On the face of the main profit and loss account
 - b) In Schedule of Operating Expenses
 - c) In Schedule of Other Income
 - d) In Schedule of Interest Earned
- 32. As per IRDA Regulations, 2002, Sun Light Insurance Company carrying business of more than type of insurance business is required to prepare
 - a) A separate revenue account for each type of business
 - b) A separate profit and loss account for each type of business
 - c) A separate balance sheet for each type of business
 - d) A separate revenue and profit and loss account for each type of business but a combined balance sheet.
- 33. In case of fire insurance, the provision required to make against unexpired risks is
 - a) 40%
 - b) 50%
 - c) 100%
 - d) 30%

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

- 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

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

		QUESTION BANK					
43. Value of S	hare of each member in cap	ital of the society					
a) Rs250	b) Rs 300	c) Rs 1,500	d) Rs 3,000				
44. Non-occu	oancy Charges contamos						
a) 1/-per	nember		b) at 10% of service charges				
c) Rs 250			d) Rs 36 per member per year				
45. Bye Law N	lo. 67						
a) Compo	sition of the Charges of the S	Society					
b) Break-ւ	b) Break-up of Service Charges of the Society						
c) Sharing of the Society Charges by the Members							
d) Parking	Charges						
46. Bye Law N	lo. 68						
a) Compo	sition of the Charges of the S	Society					
b) Break-ւ	p of Service Charges of the S	Society					
c) Sharing	of the Society Charges by th	ie Members					
d) Parking	Charges						
47. Bye Law N	lo. 69						
a) Sharing	of the Society Charges by th	ne Members					
b) Parking	Charges						
c) Interes	on Delayed Payment of Cha	arges					
d) Non-od	cupancy Charges						
48. Bye-Law I	Io. 84						
a) Break-ւ	p of Service Charges of the S	Society					
b) Sharing	of the Society Charges by the	ne Members					
c) Parking	Charges						
d) Interes	t on Delayed Payment of Cha	arges					
49. Tools and	Equipment are shown in the	e balance sheet of a co-	operative society.				
a) Under	ixed Asset		b) Under Current Asset				

c) Separately

c) General Insurance Company

a) Bank

50. Register of audit objection is required to be maintained by a

d) Miscellaneous Expenditure

b)Life Insurance Company

d) Co-operative Society