

Account and financial MCQ

1. Under barter system, which of the following is not correct?
A] **exchange of money for product** B] exchange of product for product
C] exchange of product for service D] exchange product
2. What is the limitation of accounting?
A] shows profitability B] shows economic status
C] tax planning D] **stable value of money**
3. Accounting is known as
A] **historical accounting** B] future accounting
C] present accounting D] unnecessary accounting
4. Cash, goods or assets invested by the owner in the business for earning profit is called.
A] profit **B] capital** C] fixed assets D] none of these
5. Book-keeping is-
A] an art
B] a science
C] an art and science both
D] none of these
6. The document certifying the purchase or sale of goods any monetary transaction is called?
A] goods B] **voucher** C] assets D] closing stock
7. What is type of assets?
A] current B] capital C] revenue D] profit
8. how many type of liability in account?
A] 1 **B] 2** C] 3 D] 4
9. How many reasons in unavoidable into AS 1?
A] 1 **B]2** C]3 D]
10. What is a first AS?
A] depreciation accounting
B] revenue recognition
C] disclosure of accounting policies

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- D] valuation of inventories**
11. How many Ind AS are there in India?
A] 12 B] 21 C] **40** D] 25
12. How many types of stock in AS2?
A] 1 B] 2 C] **3** D] 4
13. What is name of AS2?
A] valuation of inventory
B] cash flow statements
C] disclosure of accounting policies
D] revenue recognition
14. What is name of AS6?
A] valuation of inventory
B] cash flow statements
C] disclosure of accounting policies
D] **depreciation accounting**
15. What is name of AS9?
A] valuation of inventory
B] disclosure of accounting policies
C] **revenue recognition**
D] depreciation accounting
16. Which of these types of Inventories?
A] cost Inventories
B] profit Inventories
C] loss Inventories
D] not even one
17. Which of the following is a characteristic of Inventories?
A] Work in progress
B] sale of in the ordinary
C] position and an enterprise
D] not even one

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25. A general reserve treated at the time of admission of a new partner, it is transferred to_____.

- (A) Old Partner's capital account
- (B) Profit and loss adjustment account
- (C) Realisation account
- (D) Revaluation account**

26. On reconstitution of a partnership firm, recording of an unrecorded liability will result in_____.

- (A) Loss to the existing partners**
- (B) Neither gain nor loss to the existing partners
- (C) Gain to the existing partners
- (D) None of the above

27. The balance of the revaluation account is transferred to the old partner's capital accounts in their_____.

- (A) New profit-sharing ratio**
- (B) Equal ratio
- (C) Old profit-sharing ratio
- (D) None of the above

28. Recording of an unrecorded asset on the reconstitution of a partnership firm will be_.

- (A) A loss to the existing partners
- (B) Neither a gain nor a loss to the existing partners
- (C) A gain to the existing partners**
- (D) None of the above

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29. What is the formula to calculate the gaining ratio?

(A) Old Ratio – sacrificing ratio

(B) New Ratio – sacrificing ratio

(C) Old Ratio – new ratio

(D) New Ratio – old ratio

30. At the time of an admission of a new partner, the general reserve that is appearing in the old balance sheet is transferred to_____.

(A) New partners' capital accounts

(B) Old partner's capital accounts

(C) All partner's capital accounts

(D) None of the above

31. The increase in the value of assets on reconstitution of the partnership firm results in_____.

(A) A loss to the existing partners

(B) Neither a gain nor a loss to the existing partners

(C) A gain to the existing partners

(D) None of the above

32. Under the capitalisation method, goodwill is calculated by_____.

(A) Super profit x number of years' purchase

(B) Total of the discounted value of expected future benefits

(C) Super profit – (r) expected rate of return

(D) Average profit x number of years' purchase

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33. Among these transactions, which transaction will have no impact on stockholders' equity?

- (A) Net loss
- (B) Investment of cash by stockholders
- (C) Dividends to stockholders
- (D) Purchase of the land from the proceeds of bank loan**

34. Amount invested by the proprietor in the business should be credit to:

- (A) A/c payable
- (B) Capital**
- (C) Cash
- (D) Drawing

35. Transactions are first recorded in which book/account?

- (A) Book of Original Entry**
- (B) T Accounts
- (C) Accounting Equation
- (D) Book of Final Entry

36. Goods returned by customer will be debited to which account?

- (A) Purchases A/C
- (B) Return outward
- (C) Customer's A/C
- (D) Return inward**

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37. Journal is also called a?

- (A) A daybook**
- (B) History book
- (C) Ledger book
- (D) An entry book

38. _____A/c is credited and _____A/c is debited in case wages are paid for construction of business premises

- (A) Cash, Wages
- (B) Cash, Premises**
- (C) Premises, Cash
- (D) Wages, Cash

39. Journal lists transactions in which order?

- (a) Decreasing
- (b) Chronological**
- (c) Alphabetical
- (d) Increasing

40. Among these statements which one is incorrect regarding journal entry?

- (A) The debited account titles are listed first
- (B) Journal entries show the effects of transactions
- (C) Each journal entry should begin with a date
- (D) Journal entries provide account balances**