

Time: One Hour

Max. Marks: 25

Instructions

Solve any 25 questions

- 1 Share allotment account is a
 (A) Personal account (B) Real account (C) Nominal account (D) Impersonal account
- 2 Holders of preference shares will have a right to vote if the dividend remains in arrears for a period not less than
 (A) 3 years (B) 2 years (C) 6 years (D) none of these
- 3 The minimum share Application money is
 (A) 5% of the face value of shares (B) 10% of the issue price of shares (C) Re. 1 per share (D) 15% of the face value of shares
- 4 Premium received on issue of shares is shown on
 (A) Asset side of the balance sheet (B) Liability side of the balance sheet (C) credit side of the P&La/c. (D) debit side of the P & La/c
- 5 Premium on issue of shares can be used for.....
 (A) Distribution of dividend (B) writing off capital losses (C) transferring to general reserve (D) paying fees to directors.
- 6 Premium received on issue of shares cannot be utilized for .
 (A) for the issue of bonus shares (B) for writing of preliminary expenses (C) for providing premium payable on redemption (D) for distribution of dividend
- 7 Goodwill means
 (A) Good Will (B) Credit (C) Debit (D) Good Wishes
- 8 Debenture holders are
 (A) Creditor of Company (B) Debtor of Company (C) Owner of Company (D) Members of Company
- 9 Debenture Redemption Reserve account is shown on which side of the balance sheet
 (A) None (B) Assets (C) Liabilities (D) Not to be shown
- 10 All of the SEBI guidelines related to redemption of debentures are to protect the
 (A) Debtors (B) Debenture holders (C) Creditors (D) Shareholders
- 11 Premium on redemption of debentures is which type of
 (A) Account (B) Nominal account (C) Personal account (D) Real account
- 12 DRR can be used only after redeeming the _____ percent of debentures
 (A) 10 percent (B) 50 percent (C) 25 percent (D) 100 percent
- 13 Profit on redemption of debentures is a
 (A) General Reserve (B) Capital Profit (C) Both of these (D) None of these
- 14 When the shares are redeemed out of profits, a sum equal to nominal amount of shares redeemed is to be
 (A) Transferred to Capital Redemption Reserve A/c (B) Transferred to General Reserve A/c (C) Transferred to Development Rebate Reserve A/c (D) None of the above
- 15 The amount received in cash for securities premium can be utilized only for
 (A) Making partly paid shares fully paid. (B) Making provision for redemption of red. Pref. shares and transfer to Capital Red. A/c (C) Writing off loss on sale of any fixed asset (D) None of the above
- 16 When preference shares are redeemed at a premium, provision for premium amount is made from
 (A) Securities Premium A/c (B) Amount received from issue of new shares (C) Forfeited Shares A/c (D) None of above
- 17 When redeemable preference shares are to be redeemed and they are not fully paid, then;
 (A) The amount so far received on them can be returned. (B) They cannot be redeemed (C) They can be redeemed at the discretion of directors (D) None of the above 5. Redeemable Preference Shares cannot
- 18 Redeemable Preference Shares cannot be redeemed:
 (A) At cost price (B) At a premium (C) At a discount (D) All of the above
- 19 As per Section 55 of the Companies Act, 2013 Redeemable Preference Shares can be redeemed out of,
 (A) Amount received from issue of fresh Equity Shares (B) Amount received from issue of preference shares (C) Credit balance of profit and loss account (D) Amount received in any way of the above
- 20 Cancellation of shares means
 (A) Reissue of shares (B) Valuation of shares (C) Forfeiture of shares (D) Allotment of shares
- 21 To issue shares on premium means
 (A) Issue on face value of shares (B) Issue on more than face value of shares (C) Issue on less than face value of shares (D) Initial public offer
- 22 Manufacturing account shows cost of
 (A) Sales (B) Production (C) Material (D) Finished goods.
- 23 Financial statement is made at the
 (A) Starting of year (B) Middle of year (C) End of year (D) None of these.

Examination October 2020

24 Balance of profit and loss account on debit side shows the....

- (A)Gross profit (B)Gross loss (C)Net profit (D)Net loss.

25 Capital usually appears on which side of Balance sheet.

- (A)Debit (B)Credit (C)Liability (D)Asset

26 Wages and Salary are shown on the

- (A)Debit side of Trading A/c (B)Credit side of Trading A/c (C)Debit side of Profit and Loss A/c (D)Credit side of Profit and Loss A/c

27 'Office rent paid in advance for 3 years' is what type of expenditure..

- (A)Revenue expenditure (B)Capital expenditure (C)Deferred revenue expenditure (D)None of these.

28 Profit and Loss A/c also called.....

- (A)Balance sheet (B)Profit and Loss Appropriation (C)Trading A/c (D)Income Statement.

29 From the following which is the current asset?

- (A)Stock of raw material (B)Cash in hand (C)Amount due from customers. (D)All of these

30 In what way drawing is recorded?

- (A)Debit side of Trading A/c. (B)Debit side of Profit and Loss A/c (C)Deduct from capital A/c. (D)Add in Bad Debts A/c.