ACCOUNTANCY (100 Marks) (Time 2 hour)

1. If a firm makes a number of Promissory Notes usually, it would be convenient to record the transaction in
(a) Bills Receivable Book (b) Bills Payable Book
(c) Journal Proper (d) Sales Book

2. Carriage outward is debited to
(a) Trading Account (b) Profit and loss account
(c) Profit and loss appropriation account (d) Balance Sheet

3. Amount spent, for the construction of temporary huts, which were necessary fro construction of the cinema house and demolished when the cinema house was ready is a
(a) Revenue expenditure (b) Capital expenditure
(c) Deferred revenue expenditure (d) None of the above

4. Material costing Rs. 700 in the erection of the machinery and wages paid for it amounting to Rs. 400 should be debited to
(a) Material account (b) Wages account
(c) Purchases account (d) Machinery account

5. Difference of totals of both debit and credit side of the trial balance is transferred to
(a) Trading account (b) Miscellaneous account
(c) Difference account (d) Suspense account

6. Which of the following is correct
(a) Capital is equal to assets minus liabilities
(b) Capital is equal to assets plus liabilities
(c) Assets are equal to liabilities minus capital
(d) Liabilities is equal to capital plus assets

7. All of the following have debit balance except one. That account is
(a) Wages outstanding account (b) Loan to contractor
(c) Trade receivables Account (d) Goodwill

8. In the absence of any provision in the partnership agreement, profit and losses are shared
(a) In the ratio of capitals
(b) In the ratio of loans given by them to the partnership firm
(c) Equally
(d) None of the above

9. Which of the following statement is not true
(a) Book keeping is mainly concerned with recording of financial data
(b) Goods given as sample should be credited to purchase A/c
(c) The balance of petty cash is an asset
(d) In case of a debt becoming bad the amount should be credited to bad debts A/c

10. Annual insurance premium paid on January 1, 2010 was Rs. 2,400. What will be the opening entry on April 01, 2010, if financial year ends on March, 31 every year ?

(a) Insurance Premium A/c	Dr.	Rs. 1,800	
To Prepaid Insurance Premium			Rs. 1,800
(b) Insurance Premium A/c	Dr.	Rs. 600	
To Prepaid Insurance Premium			Rs. 600
(c) Prepaid Insurance Premium A/c	Dr.	Rs. 1,800	
To Insurance Premium A/c			Rs. 1,800
(d) Prepaid Insurance Premium A/c	Dr.	Rs. 600	
To Insurance Premium A/c			Rs. 600

11. The purpose of accommodation bill is
(a) To finance actual purchase or sale of goods (b) To facilitate trade transmission (c) When both parties are in need of funds (d) None of the three

12. Municipal tax Rs. 50,000 under dispute is a
(a) Current liability (b) Contingent liability (c) Revenue loss (d) None of the above

13. If del-credere commission is allowed for bad debt, consignee will debit the bad debt amount to
(a) Commission earned account (b) Consignor A/c (c) Customers A/c (d) General trading A/c

14. As per section 37 of the Indian Partnership Act, 1932, the executors would be entitled at their choice to the interest calculated from the date of death till the date of payment on the final amount due to the dead partner at _______ percent per annum
(a) 7 (b) 4 (c) 6 (d) 12

15. Dividends are usually paid as a percentage of
(a) Authorised share capital (b) Net profit (c) Paid up capital (d) Called up capital

16. Writing of transaction in the ledger is called
(a) Posting (b) Journalizing (c) Balancing (d) Casting

17. Commission provided by the consignor to the consignee to promote credit sale is known as

(a) Ordinary commission (b) Del-Credere Commission (c) Over riding commission (d) Special commission

18. Joint venture account is a
(a) Personal A/c (b) Real A/c (c) Nominal A/c (d) None of the above

19. In the ledger there are ______ columns
(a) 4 (b) 6 (c) 8 (d) 10

20. Carriage charges paid for a new plant purchased if debited to carriage a/c would effect ___
(a) Plant account (b) Carriage account (c) Plant and Carriage account (d) None of the above

21. If a machinery is purchased for Rs. 1,00,000 the asset would be recorded in the books at Rs. 1,00,000 even if its market value at that time happens to be Rs. 1,40,000. In case a year after, the market value of the asset comes down to Rs. 90,000 it will ordinarily continue to be shown at Rs. 1,00,000 and not Rs. 90,000 due to
(a) Realisation concept (b) Present value concept (c) Replacement concept (d) Cost concept

22. A owed Rs. 25,000 to B. A became insolvent and B got A's computer valuing Rs. 11,500 in full settlement. Journal entry will be passed in the books of 'B' will be

(a) Purchase A/c	Dr.	Rs. 11,500	
To A			Rs. 11,500
(b) Computer A/c	Dr.	Rs. 11,500	
Bad debts A/c	Dr.	Rs. 13,500	
To A			Rs. 25,000
(c) Computer A/c	Dr.	Rs. 25,000	
To A			Rs. 25,000
(d) Computer A/c	Dr.	Rs. 11,500	
Purchases A/c	Dr.	Rs. 13,500	
To A			Rs. 25,000

23. Sharma of Allahabad sends goods costing Rs. 1,00,000 at an invoice price of the Rs. 1,20,000 to Kalapil of Katak. Sharma incurs the following expenditure in relation to such consignment :

1.	Packing and loading	Rs. 5000
2.	Transportation	Rs. 10000
3.	Insurance	Rs. 5000

1/10th of the consignment is damaged in transit. Amount of abnormal loss will be
(a) Rs. 14,000 (b) Rs. 10,000 (c) Rs. 12,000 (d) None of the above

24. Suresh of Delhi consigned 600 fans to Naresh of Agra to be sold on his account and at his risk. The cost of each fan is Rs. 300. Suresh paid Rs. 6000 as freight and insurance Naresh paid Rs. 1500 as octroi and cartage. Rs. 2000 as rent ; and Rs. 1500 as insurance. 500 fans were sold by Naresh for Rs. 1,80,000 Naresh was entitled to a commission of 4% on sale @ Rs. 350 per fan and 20% of any surplus price realized. Consignment profit will be
(a) Rs. 12,250 (b) Rs. 12,000 (c) Rs. 10,000 (d) Rs. 13,000

25. Original cost = Rs. 1,26,000
Salvage Value = Rs. 6000
Useful Life = 6 years
Annual depreciation under SLM will be
(a) Rs. 21000 (b) Rs. 20000 (c) Rs. 15000 (d) Rs. 14000

26. At the end of the accounting period the provision is made for the amount outstanding for the electricity that has been consumed during the said period. This statement is based on
(a) Accrual concept (b) Matching (c) Realisation (d) Money measurement

27. Under the diminishing balance method, depreciation
(a) Increases every year (b) Decreases every year (c) Is constant every year (d) None of the above

28. Which inventory valuation method best matches the cost of goods sold with current replacement cost ?
(a) LIFO (b) FIFO (c) Weighted average method (d) Specific identification method

29. Which financial statement represents the accounting equation, Assets = Liabilities + Owners equity ?
(a) Income statement (b) Balance sheet (c) Statement of cash flow (d) None of the above

30. The total of the purchase day book is posted periodically to the debit of
(a) Purchases account (b) Cash book (c) Journal proper (d) None of the above

31. Legal expenses incurred in defending a suit for breach of contract to supply goods is a
(a) Revenue expenditure (b) Capital expenditure (c) Deferred revenue expenditure (d) None of the above

32. A running business was purchased by Ram with following assets and liabilities

Cash in hand	1000
Cash at Bank	5000
Inventory	20000

Land and building	100000
Plant and machinery	50000
Owing from Mr. X	12500
Prepaid Insurance	500
Owing to Z Ltd.	3750
Interest received in advance	250

Ram's capital will be
(a) Rs. 1,85,000 (b) Rs. 1,80,000 (c) Rs. 1,75,000 (d) None of the above

33. Following are the sales return of Jindal & Co. a saree dealer

Date	Credit Note	
05.01.2012	201	Goyal & Co. Rampur returned 2 Polyster sarees @ 125
10.01.2012	202	Accepted return of goods (which were sold for cash) from Gard & Co. Bhiwani, 2 Kota Sarees @ Rs. 50
17.01.2012 31.01.2012	203 204	Mittal & Co. Hissar returned 2 silk sarees @ Rs. 325 Mohan returned one old type writer @ Rs. 500

Total of sales return book will be
(a) Rs. 900 (b) Rs. 800 (c) Rs. 1000 (d) None of the three

34. Following is an incorrect trial balance

	Dr. Balance (Rs.)	Cr. Balance Rs.
Sen Gupta's Capital	–	1556
Sen Gupta's Drawings	564	–
Leasehold premises	750	–
Sales	–	2,750
Dues from customers		530
Purchases	1259	
Purchases return	264	
Loan from Bank		256
Creditors	528	
Trade expenses	700	
Cash at Bank	226	
Bills Payable	100	
Salaries and wages	600	
Opening inventory	–	264
Rent and taxes	463	

Sales return		98

Total of corrected trial balance will be
(a) Rs. 5454 (b) 5400 (c) Rs. 5600 (d) Rs. 5000

35. Ankush Ltd. had issued 10,000, 10% Redeemable Preference Shares of Rs. 100 each, fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of equity shares of Rs. 10 each at a premium of Rs. 2 per share as fully paid up. The amount to be transferred to capital redemption reserve account will be
(a) Rs. 10,00,000 (b) Rs. 12,00,000 (c) Rs. 8,00,0000 (d) Nil

36. Bill of Rs. 10,000 accepted by Rajesh was endorsed by Ritesh to Dinesh on account of final settlement of Rs. 10,500. The benefit of Rs. 500 earned by Ritesh was :
(a) Credited to discount allowed account by Rs. 500 (b) Credited to discount received account by Rs. 500 (c) Credited to rebate account by Rs. 500 (d) Not shown in the books of Ritesh at all

37. No journal entry is required to be passed when there is
(a) Normal loss (b) Abnormal loss (c) Loss of bad debts (d) Loss by theft

38. A inventory worth Rs. 10,00,000 is insured for Rs. 6,00,000. It is completely destroyed by fire. The loss to be admitted by the insurance company will be
(a) Rs. 10,00,000 (b) Rs. 6,00,000 (c) Rs. 8,00,000 (d) None of the three

39. Cost of goods sold 80,700, opening inventory 5,800 and closing inventory 6,000 then amount of purchases will be
(a) Rs. 80,500 (b) Rs. 74,900 (c) Rs. 74,700 (d) Rs. 80,900

40.

	Rs.
Opening inventory	8500
Purchases	30,700
Direct expenses	4800
Indirect expenses	52000
Closing inventory	9000

Cost of goods sold will be
(a) Rs. 35,000 (b) Rs. 30,000 (c) Rs. 40,000 (d) None of the three

41. Cost of goods sold Rs. 70,800
Sales Rs. 1,30,200
Gross Profit will be
(a) Rs. 59,400 (b) Rs. 59,000 (c) Rs. 60,000 (d) None of the above

42.

Inventory at start	2400	Carriage inward	524
Purchases	15205	Manufacturing wages	2800
Sales	20860	Manufacturing wages outstanding	96
Closing inventory	3840	Loss due to fire	1000
Return outward	185	Indirect expenses	200
Return Inward	860		

On the basis of the above information, Gross Profit fill be
(a) Rs. 4,000 (b) Rs. 5,000 (c) Rs. 6,000 (d) None of the three

43.

Accounts payable	68,000	Long Term Loan	30,000
Capital	2,00,000	Wages Payable	1,20,000
Cash in hand	1,24,000	Investments	2,000
Prepaid expenses	2,000	Net Profit	96,000
Cash at Bank	2,90,000	Bills receivable	80,000
Inventories	16,000		

Total of Balance Sheet will be
(a) Rs. 5,14,000 (b) Rs. 6,00,000 (c) Rs. 6,80,000 (d) None of the three

44. Depreciation on motor car, whose cost is Rs. 58,000 with an accumulated depreciation reserve of Rs. 11,600, at 20% p.a. on diminishing balance will be
(a) Rs. 9000 (b) Rs. 9280 (c) Rs. 10000 (d) None of the three

45. Balance of Provision for bad debts on Jan. 1, 2009 Rs. 1250; Bad debts during the year Rs. 300 ; Provision for bad debts is 5% on Trade receivables of Rs. 10,000. Provision credited to Profit and Loss account will be
(a) Rs. 400 (b) Rs. 500 (c) Rs. 450 (d) None of the three

46. Depreciable amount of the machinery is Rs. 11,00,000. The machine is expected to produce 30 lakhs units in its 10 year life and expected distribution of production units is as follows :
1-3 year 5 lacs units each year
4-6 years 3 lacs units each year
7-10 years 1.5 lacs units each year
Annual depreciation for 1-3 year, using production units method will be
(a) Rs. 1,10,000 (b) Rs. 55,000 (c) Rs. 65,000 (d) Rs. 1,83,333

47. A and B enter into a joint venture in timber trading. A pays for purchase of timber Rs. 2,00,000 and expenses Rs. 2,000. He draws a bill of exchange on B for Rs. 1,00,000 and discounts it with Bank for Rs. 95,000. B sells the timber for Rs. 2,50,000 and pays expenses

Rs. 3,000 B is entitled to get a commission of 10% on sale A is entitled to get an interest of Rs. 12,000 on his capital. Profit on venture will be
(a) Rs. 3000 (b) Rs. 4000 (c) Rs. 5000 (d) None of the three

48. Received final dividend of Rs. 500 from Ajit, whose account had already been written off as bad debt was credited to a newly opened account and was included in the list of trade payable rectifying entry will be

(a)	Ajit	Dr.	500	
	To Bad Debts recovered			500
(b)	Bank	Dr.	500	
	To bad debts			500
(c)	Trade receivables	Dr.	500	
	To Bad debts recovered			500
(d)	None of the three			

49. When balance as per cash book is the starting point and cheques issued for payment Rs. 4000 was wrongly credited by Bank as Rs. 900 then in the bank reconciliation statement cash balance will be
(a) Added by Rs. 1300 (b) Subtracted by Rs. 1,300 (c) Added Rs. 900 (d) Subtracted by Rs. 400

50. Overdraft as per pass book is given Rs. 10,000
(i) Cheques deposited in the Bank but not recorded in Cash Book Rs. 100
(ii) Cheques drawn but not presented for payment Rs. 6,000
(iii) Bank charges recorded twice in cash book Rs. 30
Overdraft as per Cash Book will be
(a) Rs. 16,000 (b) Rs. 16,130 (c) Rs. 15,000 (d) None of the three

51. Ratan and Karan entered into partnership on April 1, 2009. They invested capital Rs. 15,000 and Rs. 10,000 respectively. It was agreed that 8% p.a. interest will be calculated both on capital and drawings. Drawings were made as follows :

	Ratan	Karan
June 30	600	800
Sept. 30	500	700
Dec. 31	400	600

Karan was entitled to a salary of Rs. 250 p.m.
Profit before adjusting interest and salary was Rs. 8848. Divisible profit will be
(a) Rs. 4,000 (b) Rs. 3,000 (c) Rs. 5,000 (d) None of the three

52. A and B have been sharing profit and losses in the ratio of 5 : 3 ; C is admitted as a partner. He acquires his 1/8th share only from B. New ratio will be

(a) 5 : 2 : 1 (b) 4 : 2 : 1 (c) 2 : 2 : 1 (d) None of the three

53. A and B are equal partners in a firm their capital shows credit balance of Rs. 18,000 and Rs. 12,000 respectively. A new partner C is admitted with 1/5th share in profits. He brings Rs. 14,000 for his capital. Value of hidden goodwill at the time of C's admission will be
(a) Rs. 26,000 (b) Rs. 25,000 (c) Rs. 20,000 (d) None of the three

54. A, B and C are partners, sharing profit in the ratio of 4 : 3 : 2. D is admitted for 2/9th share of profits and brings Rs. 30,000 as his capital and 10,000 for his share of goodwill. The new profit sharing ratio between partners will be 3 : 2 : 2 : 2. Goodwill amount will be credited in the capital accounts of :
(a) A only (b) A, B and C (Equally) (c) A and B (Equally) (d) A and C (Equally)

55. X, Y and Z were partners sharing profit in proportion to 5 : 3 : 2. Goodwill does not appear in the books, but it is agreed to be worth Rs. 1,00,000. X retires from the firm and Y and Z decide to share future profits equally. X's share of goodwill will be debited to Y's and Z's capital A/cs in the ratio
(a) 1 : 1 (b) 2 : 3 (c) 3 : 2 (d) None of the three

56. X Ltd. invited applications for 1,00,000 debentures of Rs. 10 each at a discount of 6%. Discount per debentures will be
(a) Re. 1.00 (b) 0.80 Re. (c) 0.60 Re (d) None of the three

57. A company makes an issue of 5000 equity shares of Rs. 100 each at par. The net amount is payable as follows :

	Rs.
On application and allotment	50
On first call	25
On final call	25

A shareholder holding 100 shares did not pay final call money. His shares were forfeited. Share capital account will be debited by
(a) Rs. 10,000 (b) Rs. 500 (c) Rs. 1,500 (d) None of the three

58. 1,000 shares of Rs. 100 each were issued to a promoter of the company for their legal services, rendered in the formation of the company. For this, company credited Share Capital Account and debited
(a) Goodwill account by Rs. 1,00,000 (b) Legal services account by Rs. 1,00,000
(c) Promoter's account by Rs. 1,00,000 (d) Formation expenses account by Rs. 1,00,000

59. In the trial balance of a joint stock company, the following balances are given
Dr. Cr.

		Rs.	Rs.
(i)	10% Mortgage Debentures (Payable after five years)		1,00,000
(ii)	Discount allowed on issue of debentures	2000	

Amount of discount written off per year will be
(a) Rs. 500 (b) Rs. 800 (c) Rs. 400 (d) None of the three

60. Called up share capital (46,000 shares 10 each) Rs. 4,60,000
Calls in arrear Rs. 7,500
Proposed dividend 5%
Amount of proposed dividend will be
(a) Rs. 22625 (b) Rs. 25000 (c) Rs. 23000 (d) None of the three

61. An increase in owner's capital is recorded by :
(a) Debiting the capital account (b) Crediting the capital account (c) Crediting the cash account (d) None of these

62. Users of accounting information include
(a) Suppliers (b) Lenders (c) Customers (d) All the above

63. Accounting standards in India are issued by :
(a) Central Govt. (b) State Govt. (c) Institute of Chartered Accountants of India (d) Reserve Bank of India

64. Cost of advertisement for the products of a company is a ______
(a) Capital expenditure (b) Revenue expenditure (c) Deferred revenue expenditure (d) Capital lost

65. Personal accounts relate to :
(a) machinery account, cash account rent account (b) expenses, losses, gains, revenue etc. (c) person, trade receivables or trade payables (d) assets of firm but not debt

66. Nominal account is governed by following rules :
(a) Debit what comes in, Credit what goes out (b) Debit all expenses & losses, Credit all income & gain (c) Debit the receiver, Credit the giver (d) None of the above

67. The accounting policies once adopted are not changed unless there is an urgent need for such change is based on
(a) Money measurement concept (b) Accrual concept (c) Consistency (d) Conservation

68. Cash column in cash book has always ______

(a) Debit balance (b) Credit balance (c) Overdraft balance (d) Both Debit and Credit balance

69. Depletion method of depreciation is used in _______
(a) Cattle, loose tools etc. (b) Mines and quarries (c) Machinery and Building (d) None of these

70. Goods purchased from A for Rs. 2000 passed through the sales book. The rectification of this error will result in ________
(a) Decrease in Gross profit (b) No effect on Gross profit (c) Increase in Gross profit (d) Increase in Trade receiables

71. While preparing the trial balance from the ledger balances, the drawings account is placed in:
(a) Debit column of trial balance (b) Credit column of trial balance (c) Purchase book (d) Journal Proper

72. Unpaid salary of Rs. 5,000 is to be recorded in the
(a) Purchase Return book (b) Bill receivable book (c) Purchase book (d) Journal Proper

73. Capital expenditure are recorded in the _______
(a) Balance Sheet (b) Profit & Loss Account (c) Trading Account (d) Manufacturing account

74. In case of Debit Balance the words _______ are written on the debit side.
(a) To balance b/d (b) To balance c/d (c) By balance b/d (d) By balance c/d

75. Outstanding wages in trial balance is recorded in ______
(a) Trading account (b) Profit & Loss account (c) Balance sheet (d) None of the three

76. Amount spent for replacement of worn out part of machine is :
(a) Deferred Revenue expenditure (b) Revenue expenditure (c) Capital expenditure (d) None of the above

77. ________ is not added in the total of Balance sheet.
(a) Fixed liability (b) Current liability (c) Contingent liability (d) None of the three

78. Which of the following errors will not affect the trial balance ?
(a) A credit sale of goods to X Rs. 17 posted as Rs 71 (b) A cash sale of goods to X Rs 17 posted as Rs 71 (c) A credit sale of furniture to X Rs 17 posted as Rs 71 (d) All of the above

79. _______ Reserve is not shown in Balance Sheet.
(a) General (b) Capital (c) Secret (d) None of the three

80. Capital expenditure provide _______ benefit.
(a) Short period (b) Long period (c) Very short period (d) None of the three

81. Suraj consigned goods costing Rs. 250,000 to Mohan on 1st Jan. 2006 by incurring Rs. 20,000 on freight. Some goods were lost in transit. For remaining goods Mohan spent Rs. 15,000 to take the delivery including storage charges. During the quarter, agent sold ¾ of the goods received by him for Rs. 3,00,000 and charged commission @ 10% on it. Suraj asked the details of goods lost, sold, expenses, commission and balance due to him alongwith the consignment inventory from Mohan. As desired, agent sent the periodical details statement commonly known as :
(a) Account sales (b) Summary Statement (c) Account Statement (d) Statement of affairs

82. A businessman purchased goods for Rs. 25,00,000 and sold 80% of such goods during the accounting year ended 31st March, 2009. The market value of the remaining goods was Rs. 4,00,000. He valued the closing inventory at cost. He violated the concept of :
(a) Money measurement (b) Conservatism (c) Cost (d) Periodicity

83. An item of Rs. 500 relating to prepaid rent account was omitted to be brought forward. The rectifying journal entry will be :

(a)	Rent A/c	Dr.	500	
	To Cash			500
(b)	Prepaid rent A/c	Dr.	500	
	To Cash			500
(c)	Prepaid rent A/c	Dr.	500	
	To suspense			500
(d)	None of the three			

84.

Cash Sales	50,000
Cash Collected from customers	1,30,000
Bad Debts during the year	5,000
Trade receivables at the beginning	10,000

Total sales will be _______
(a) Rs. 175,000 (b) Rs. 170,000 (c) Rs. 180,000 (d) Rs. 178,000

85. An asset is purchased for Rs. 25,000, depreciation is to be provided annually according to straight line method. Useful life of the asset is 10 years and the residual value is Rs. 5,000. Rate of depreciation will be ______
(a) 10% (b) 8% (c) 12% (d) 15%

86.

	Rs.		Rs.
Opening Inventory	5,570	Purchases	13,816
Closing Inventory	8,880	Sales	15,248
Purchase return	390	Import charges	1,650
Sales return	524	Salary & wages	1,000

Above figures will show Gross Profit _______
(a) Rs. 3,000 (b) Rs. 2,958 (c) Rs. 2,500 (d) Rs. 4,000

87. Inventory worth Rs. 10,000 (cost price Rs. 7,500) taken by Mohan office clerk. Amount to be deducted from his salary in the subsequent month. Journal entry will be
(a) Dr Salary and Cr Purchases A/c Rs. 10,000
(b) Dr Mohan and Cr purchases Rs. 10,000
(c) Dr Salary and Cr Purchases Rs. 7500
(d) None of the above

88. Cost of goods sold is 100,000
Opening inventory 5,000
Closing inventory 10,000
Amount of purchases will be ______
(a) 105,000 (b) 120,000 (c) 95,000 (d) 130,000

89. Rent has been paid for 11 months from April to February 2010 amounting Rs. 55,000. The amount of outstanding rent shown in the balance sheet will be
(a) Rs. 6,000 (b) Rs. 5,000 (c) Rs. 4,000 (d) None of the above

90. Capital introduced by Mr. A on 01.04.09 Rs. 300,000, further capital introduced during the year was Rs. 50,000 in the mid of the year. Mr. A withdrew Rs. 2,000 on the first day of each month. Interest on drawings is charged @ 5%. Profit earned during the year was Rs. 20,000. Capital at the end of the financial year will be ______
(a) Rs. 3,45,350 (b) Rs. 3,95,000 (c) Rs. 3,46,000 (d) None of the three

91. A cheque of Rs. 1000 received from Ramesh was dishonoured and had been posted to the debit of sales return account. Rectifying Journal entry will be _______
(a) Sales return A/c Dr 1000
To Ramesh 1000
(b) Ramesh Dr. 1000
To Sales return 1000
(c) Sales return to Dr. 1000
To Suspense 1000
(d) None of the three

92. A purchased goods costing Rs. 42,500. B sold goods costing Rs. 40,000 at Rs. 50,000. Balance goods were taken over by A at Rs. 4,000. The profit on joint venture is
(a) Rs. 11,500 (b) Rs. 7,500 (c) Rs. 3,500 (d) Nil

93. Cost of machine Rs. 135,000
Residual value Rs. 5,000
Company charged depreciation for the first 5 years on straight line method. Later on, it reviewed the useful life and decided to take it as useful for another 8 years. In the 6th year amount of depreciation will be _______
(a) Rs. 8,000 (b) Rs. 8,125 (c) Rs. 9,000 (d) Rs. 8,500

94. Mohan and Krishna are equal partners. They admitted Ram for ¼ share in future profits. New profit sharing ratio will be ______
(a) 3 : 3 : 2 (b) 3 : 2 : 1 (c) 2 : 2 : 1 (d) Cannot be calculated

95. Expenses incurred by the consignor on sending goods to consignee are Rs. 1000 for packing, Rs. 1500 on freight and Rs. 500 for insurance, while expenses incurred by the consignee on behalf of consignment are Rs. 300 on Octroi, Rs. 800 Godown rent and Rs. 1000 selling expenses. Expenses amount to be excluded while calculating consignment inventory will be
(a) Rs. 1,800 (b) Rs. 2,100 (c) Rs. 2,000 (d) Rs. 2,600

96. A, B and C are partners sharing profits in the ratio of 4 : 3 : 2. B retires. A and C decide to share profits in future in the ratio of 5 : 3. Gaining ratio between A and C will be
(a) 13 : 11 (b) 12 : 10 (c) 10 : 12 (d) None of the three

97. Virender Ltd. Forfeited 20 shares of Rs. 100 each (Rs. 60 called up) issued at par to Ram on which he had paid Rs. 20 per share. All the forfeited shares were reissued to Shyam as Rs. 60 paid up for Rs. 45 per share. Amount transferred to capital reserve will be
(a) Rs. 150 (b) Rs. 100 (c) Rs. 75 (d) Rs. 60

98. Consignee is entitled to get a commission of Rs. 25 per article sold plus one fourth of the amount by which gross sale proceeds less his total commission thereon exceeded a sum at the rate of Rs. 125 per articles sold. He sold 450 articles at Rs. 73,800. Commission amount will be ______
(a) Rs. 12,510 (b) Rs. 10,510 (c) Rs. 10,000 (d) Rs. 11,000

99. Goods worth Rs. 500 given as charity should be credited to
(a) Sales account (b) Purchases account (c) Charity account (d) None of the three

100. A company issued Rs. 1,00,000 15% Debentures at a discount of 5% redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be :
(a) Rs. 15,000 (b) Rs. 12,000 (c) Rs. 10,000 (d) None of the three