

**MCQ**  
**Financial Accounting**  
**FYBMS – SEM I**

Q.1 The article purchased sold or produced by a businessman.

- A. Fixed Assets
- B. Financial Assets
- C. Goods
- D. Real Assets

Q.2 The Amount Paid or payable, in return for goods or services used in the business during the current accounting year.

- A. Income
- B. Expenses Payable
- C. Expenses
- D. Loss

Q.3 IFRS \_\_\_\_\_ deals with First Time Adoption of International Financial Standards.

- A. 1
- B. 2
- C. 3
- D. 4

Q.4 Carriage expenses Paid on New Machinery should be debited to \_\_\_\_\_ account.

- A. Carriage
- B. Trading
- C. Trading
- D. Machinery

Q.5 Three Column Cash Book \_\_\_\_\_

A. Trade Discount allowed is recorded on the debit side of Cash Book

B. Cash discount received is recorded on the credit side of the Cash Book

C. Discount Column are balanced

D. All of the Above

Q.6 When Cheque is dishonored after being deposited into bank it should be credited to \_\_\_\_\_

A. Bank A/c

B. Cash A/c

C. Drawer's A/c

D. Drawee's A/c

Q.7 Left side of an account is the \_\_\_\_\_ side.

A. Credit

B. Debit

C. Positive

D. Negative

Q.8 Credit Balances in the ledger will be \_\_\_\_\_

A. An Income or an Assets

B. An Expenses or on Assets

C. An Income or a Liability

D. None of the three

Q.9 \_\_\_\_\_ receipts include the receipts for use of funds or use of assets.

A. Revenue

B. Capital

C. Deferred Revenue

D. Income

Q.10 A Machine is purchased for Rs.1,00,000. The residual value at the end of its expected useful life of 4 years is estimated at Rs.40,000. The amount of depreciation for the first year ending on 31<sup>st</sup> March 2014 if this machine is purchased on 1<sup>st</sup> April 2013 is Rs. \_\_\_\_\_

A. 15000

B. 10000

C. 8000

D. 9000

Q.11 Report in cash position is a \_\_\_\_\_

A. Exception Report

B. Summary Report

C. Responsibility Report

D. Demand Report

Q.12 While journal is a \_\_\_\_\_ record of transactions, Ledger is an \_\_\_\_\_ record of Transaction.

A. Account Wise , Date Wise

B. Rough , Fair

C. Date Wise , Account Wise

D. None of the Above

Q.13 In ledger there are \_\_\_\_\_ columns.

A. 4

B. 6

C. 8

D. 10

Q.14 \_\_\_\_\_ method is also known as Reducing Balance Methods.

A. WDV

B. SLM

C. Sinking Fund

D. Redemption Fund

Q.15 The depreciated value after two year of an assets costing Rs.10,000 depreciated at 10% on Straight line method is Rs.\_\_\_\_\_ and on reducing balance method is Rs.\_\_\_\_\_

- A. Rs.8100 and Rs.8000
- B. Rs. 9000 and Rs. 8000
- C. Rs. 8000 and Rs. 8100
- D. Rs. 9000 and Rs. 9500

Q.16 Real A/c debit balance indicates \_\_\_\_\_

- A. Expenses
- B. Income
- C. Assets
- D. Loss

Q.17 Finished Goods are samples credited to Trading A/c are goods\_\_\_\_\_ samples.

- A. Distributed
- B. Collected
- C. Divided
- D. No Entry

Q.18 Prepaid expenses is shown on the \_\_\_\_\_ side of Balance Sheet.

- A. Assets
- B. Liabilities
- C. Profit & Loss Account
- D. Trading Account

Q.19 I's Trial Balance as on 31<sup>st</sup> December 2013 Contains the following information

12% Bank Loan Rs.40,000, Interest Paid Rs.3800,Interest debited to Profit & Loss Account is\_\_\_\_\_

- A. Rs.4800
- B. Rs. 5000
- C. Rs. 5500
- D. Rs. 1000

Q.20 Gross Profit is transferred to \_\_\_\_\_ A/c

A. Profit & Loss Account

B. Balance Sheet

C. Trading Account

D. Manufacturing Account

Q.21 Business Transaction are recorded as and when they occur in the \_\_\_\_\_

A. Journal

B. Ledger

C. Trial Balance

D. Profit & Loss Account

Q.22 Receipts are recorded on the \_\_\_\_\_ side and payments are recorded on the \_\_\_\_\_ side of a Cash Book.

A. Debit , Credit

B. Credit , Debit

C. Right Hand , Left Hand

D. Left Hand , Right Hand

Q.23 \_\_\_\_\_ in the Cash Book requires no posting to Ledger.

A. Discount Received Entry

B. Discount Allowed Entry

C. Contra Entry

D. Cash Sales Entry

Q.24 According to AS-10 Machinery spares should be treated as \_\_\_\_\_

A. Revenue Expenditure

B. Inventory

C. Capital Expenditure

D. Deferred Revenue Expenditure

Q.25 Discount on issue of Debenture \_\_\_\_\_

- A. May be treated as deferred revenue expenditure
- B. Cannot be treated as deferred Revenue Expenditure
- C. Are deducted from Debenture
- D. Increase the Face Value Per Debenture