

Find out the missing value of an Accounting Equation with the help of given data:

Cash	Rs. 22,500
Debtors	Rs. 500
Total Assets	Rs. 80,385
Accounts payable	Rs. 1,000

Answer (Please select your correct option)

- ☐ Rs. 60,385 owner's equity
- ☐ Rs. 61,385 owner's equity
- ☐ Rs. 99,885 owner's equity
- ☐ Rs. 99,385 owner's equity

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1

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Which of the following is **CORRECT** regarding depreciation?

- ☐ It is a systematic allocation of depreciable amount of an asset over its estimated useful life
- ☐ It refers to the end life of an asset
- ☐ It refers to the increase in value of asset
- ☐ It is another name of Impairment

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Which one of the following is another name of carrying cost of an asset?

- ☐ Book Value
- ☐ Residual Value
- ☐ Fair Value
- ☐ Break up Value

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Mr. B provided the following information at the end of the month:

Particulars	Rs.
Cash	100
Accounts Receivable	500
Accounts Payable	200

Answer (Please select your correct option)

☐ Rs.200

☐ Rs. 600

☐ Rs. 800

☐ Rs. 1,700

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Which of the following is the price paid for an item in terms of currency?

Answer (Please select your correct option)

☐ Expense

☐ Cost

☐ Debt

☐ Revenue

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Which of the following is not incurred repeatedly and regularly?

Answer (Please select your correct option)

☐ Capital expenditure

☐ Revenue expenditure

☐ Short term expenditure

☐ Current expenditure

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Which of the following account would be debited in case of goods given away as charity?

Answer (Please select your correct option)

- ☐ Charity account
- ☐ Purchases account
- ☐ Sales account
- ☐ Assets account

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Which of the following statement is **TRUE** about Trial Balance?

Answer (Please select your correct option)

- ☐ It is a balance sheet
- ☐ It is a rough draft of the final accounts
- ☐ It is a list of the balances in the ledger
- ☐ It represents the profitability of the business

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Which of the following journal entry will be recorded, if the cash is deposited in the bank?

Answer (Please select your correct option)

- ☐ Bank account (Dr) and Cash account (Cr)
- ☐ Cash account (Dr) and Bank account (Cr)
- ☐ Bank account (Dr) and Profit & Loss account (Cr)
- ☐ Cost of goods Sold account (Dr) and Bank account (Cr)

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What is the treatment of Accumulated depreciation in Balance Sheet?

Answer (Please select your correct option)

- ☐ Treated as an expense
- ☐ Treated as an asset
- ☐ Treated as a contra asset
- ☐ Treated as an income

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Which of the following account would be credited when direct material is purchased on cash of Rs. 2,000?

Answer (Please select your correct option)

- ☐ Indirect material
- ☐ FOH
- ☐ Material/Stock
- ☐ Cash

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Which one of the following statement is **FALSE** about FIFO inventory system during the period of inflation?

Answer (Please select your correct option)

- ☐ Current assets have latest marked values
- ☐ Volume of profitability becomes higher
- ☐ Amount of taxes increases
- ☐ Stock is valued at oldest prices

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Which of the following is **TRUE** during the periods of deflation?

Answer (Please select your correct option)

☐

The use of FIFO will result in greater net income than LIFO

☐

The use of FIFO will result in a smaller cost of goods sold than LIFO

☐

The use of FIFO will result in a lower net income and higher ending inventory than LIFO

☐

The use of FIFO will result in a lower net income and lower ending inventory than LIFO

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If:

- Manufacturing Cost is Rs. 30,000
- Closing Work in Process Inventory is Rs. 10,000
- Cost of Goods Manufactured is Rs. 35,000

Then:

What is the amount of opening Work in Process inventory?

Answer (Please select your correct option)

☐

Rs. 40,000

☐

Rs. 15,000

☐

Rs. 25,000

☐

Rs. 20,000

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14

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Which of the following assets cannot be categorized as a tangible fixed asset?

Answer (Please select your correct option)

☐

Computer Hardware

☐

Electric Fans

☐

500 pages International Brand Selling License

☐

Office Furniture

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Capital amounted to Rs. 100,000 in cash brought in by Mr. A should be debited to:

Answer (Please select your correct option)

- ☐ Capital Account.
- ☐ Cash Account.
- ☐ Bank Account.
- ☐ Investment Account.

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An estimate of the income and expenses needed to carry out business plans for a fiscal year is known as:

Answer (Please select your correct option)

- ☐ Budget
- ☐ Cost
- ☐ Management
- ☐ Audit

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If cost of direct material used during the period is Rs. 18,000 and cost of direct labor is 40% of prime cost. What would be the total manufacturing cost for the period?

Answer (Please select your correct option)

- ☐ Rs. 27,000
- ☐ Rs. 12,000
- ☐ Rs. 30,000
- ☐ Can not be determined from given information

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Being an accountant of a firm you are asked to prepare the balance sheet at the end of an accounting period. You have found some fixed assets which are incomplete at the time of preparing balance sheet. How can you treat such incomplete fixed assets in balance sheet?

Answer (Please select your correct option)

- ☐ Capital work in progress account is opened and presented after fixed assets and before other long term investments.
- ☐ Work in process account is opened and presented after fixed assets and before other long term investments.
- ☐ Capital work in progress account is presented after current assets.
- ☐ Capital work in progress account is treated as current assets.

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Freight and cartage on the new plant and machinery Rs. 1,000 should be treated as:

Answer (Please select your correct option)

- ☐ Capital expenditure
- ☐ Revenue expenditure
- ☐ Deferred revenue expenditure
- ☐ Capital loss

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Rs. 500 was paid in connection with carriage on merchandises purchased should be treated as:

Answer (Please select your correct option)

- ☐ Capital expenditure
- ☐ Revenue expenditure
- ☐ Deferred revenue expenditure
- ☐ Capital loss

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When drawing-up a bank reconciliation statement, if you start with a favorable balance as per the Cash book, the debit balance of Rs. 1,000 in the bank column of the cash book was carried forward as its credit balance will be:

Answer (Please select your correct option)

- ☐ Added by Rs. 1,000
- ☐ Added by Rs. 2,000
- ☐ Subtracted by Rs. 1,000
- ☐ Subtracted by Rs. 2,000

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Write down the types of stock for Trading and Manufacturing concerns.

Answer (Please [click here](#) to Add Answer)



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You are given the following data relating to a public limited company:

Sales Rs. 300,000; cost of goods sold Rs. 250,000; and indirect expenses Rs. 20,000.

Required:

Calculate net profit earned by the company.

Answer (Please [click here](#) to Add Answer)



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Following information is available on disposal of a fixed asset.

- Cost of asset is Rs. 60,000
- Estimated useful life of the asset is 6 Years
- Depreciation method is straight Line
- Fixed asset is sold at Rs. 20,000 at the end of 5th year

Answer (Please [click here](#) to Add Answer)

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Calculate

1. Per year depreciation using straight line method.
2. Written down value of the asset at the end of each year.

Cost of the asset	Rs. 120,000
Expected Life	4 years

Answer (Please [click here](#) to Add Answer)

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From the following data, calculate the amount of sales.

	Rs.
Purchases	378,643
Operating expenses	36,892
Opening stock	169,570
Closing stock	51,730

Answer (Please [click here](#) to Add Answer)

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