Namma Kalvi
XII Standard
ACCOUNTANCY
One Mark Questions (New Pattern)

Choose the correct answer:
1. Interest on capital is calculated on the
   a) opening capital   b) closing capital   c) average capital   d) additional capital
2. Goodwill is an ----- asset. (tangible, intangible, current, fixed)
3. Match the following:
   A) Normal profit       1. average profit - normal profit   a) 1 2 3
   B) Gross profit        2. super profit x no. of years of purchase   b) 3 2 1
   C) Goodwill            3. Capital employed x normal rate of return   c) 2 3 1
4. Assertion (A): Goodwill cannot be seen or touched
   Reason (R): It is a tangible asset but a fictitious asset
   a) (A) & (R) correct   b) (A) & (R) wrong   c) (R) correct but (A) wrong
   d) (A) correct (R) wrong
5. Assertion (A): Possession of trade marks, patents or copy rights will increase the firm's value.
   Reason (R): A business establishes reputation in course of time which is running for long period on profitable line
   a) (A) & (R) correct but (R) is explain of (A)
   b) (A) & (R) correct but (R) is not explain of (A)
   c) (A) correct (R) wrong
   d) (A) wrong (R) correct
6. Odd one out:
   a) average profit method   b) super profit method   c) product method
   d) capitalization method
7. The persons who entered into partnership are collectively known as ----.
   (partners, shareholders, debenture holders, firm)
8. Under fixed capital system the profit and losses of partners will be transferred to that ---- account. (current, drawings, capital, profit & loss)
9. In the absence of actual date of drawings, interest on them has to be calculated for an average period of ---- months. (12/6/3/1)
10. Statement 1: In a partnership business, agreement is optional.
    Statement 2: In a partnership, partner share their profits and losses in agreed ratio
    a) 1 correct but 2 wrong   b) 1, 2 correct   c) 1, 2 wrong   d) 1 wrong but 2 correct
11. Odd one out:
    a) increase in the value of assets    b) decrease in the value of assets
    c) decrease in the amount of liabilities    d) unrecorded assets now recorded
12. ---- ratio is computed at the time of admission of a new partner.
    (gaining, capital, sacrificing, net profit)
13. Statement 1: When the value of an asset increases it results in profit
    Statement 2: The balance of revaluation account shows profit or loss on revaluation
    a) 1, 2 correct   b) 1 correct but 2 wrong   c) 1, 2 wrong   d) 1 wrong but 2 correct
14. Match:
    A) New share       1. Old share - new share   a) 1 2 3
    B) Sacrifice       2. New share - old share   b) 3 1 2
    C) Gain            3. Old share - sacrifice   c) 2 3 1
15. At the time of admission of a new partner, ---- profit ratio should be found out.
    (i) new ratio (ii) old ratio (iii) profit ratio (iv) gaining ratio
    a) (i) and (ii) correct   b) (i) and (ii) correct   c) (i) only correct   D) (i) and (iv) correct
16. Match:
    A) Defines partnership       1. Sec 32 (i) of the Indian Partnership Act 1932 a)
    B) Admission of partners    2. Sec 4 of the Indian Partnership Act 1932 b)
    C) Retirement of partners   3. Sec 31 (i) of the Indian Partnership Act 1932 c)
17. On admission of a new partner, increase in value of assets is debited to d)
    a) asset account   b) profit & loss adjustment account
c) old partners capital account   d) current account
18. Odd one out:
    a) new ratio  b) old ratio  c) current ratio  d) gaining ratio
19. At the time of admission, when goodwill is raised, the old partners capital account will be credited in the ---- ratio. (new, old, gaining, sacrifice)
20. When the amount due to an outgoing partner is not paid immediately, then it is transferred to
    a) capital a/c  b) loan a/c  c) cash a/c  d) revaluation a/c
21. If the amount due to the outgoing partner is transferred to loan account then he is entitled to interest at ---- until it is paid out
    (9% / 5% / 6% / 12%)
22. If the goodwill account is raised Rs. 30,000 the amount is debited to
a) the capital accounts of partners  b) goodwill account  c) cash account
d) revaluation account
23. Odd one out :
a) revaluation a/c  b) capital a/c  c) trading a/c  d) balance sheet of partners
24. Statement 1: A retiring partner will be held liable for debts incurred by the firm before his retirement
Statement 2: But he is not be responsible for the firm’s acts after the retirement
a) 1 correct but 2 wrong  b) 1, 2 correct  c) 1, 2 wrong  d) 1 wrong but 2 correct
25. Statement 1: At the time of admission of a new partner revaluation of assets and liabilities should be taken up.
Statement 2: At the time of retirement of a partner revaluation of assets and liabilities should not be taken up.
a) 1, 2 correct  b) 1 correct but 2 wrong  c) 1, 2 wrong  d) 1 wrong but 2 correct
26. A, B and C are sharing profits in the ratio of 2/5, 2/5, 1/5. C retired from business and his share was purchased equally by A and B. Then new profit sharing ratio shall be
27. The public issue must be kept open for at least
a) 3 days  b) 5 days  c) 7 days  d) 30 days
28. The maximum calls that a company can make is a) 1  b) 2  c) 3  d) 4
29. Match :
   A  B  C
   List 1  List 2
   A) Issue of share at a price more than the face value  -  1. Par a) 1  2  3
   B) Issue of share at a price less than the face value  -  2. Premium c) 1  3  2
   C) Issue of share at a price of face value  -  3. Discount d) 3  2  1
30. Normally companies can like share at ---- of discount. (5% / 10% / 20% / 25%)
31. Statement 1: According to Table A, interest charged on calls-in-arrears is 5%
   Statement 2: According to Table A, interest charged on calls-in-advance is 5%
a) 1 correct but 2 wrong  b) 1, 2 correct  c) 1, 2 wrong  d) 1 wrong but 2 correct
32. Assertion (A): Every company must therefore have a common seal with its name engraved on it.
   Reason (R): Being an artificial person, it cannot sign the documents.
a) (A) & (R) correct but (R) is explain of (A)
b) (A) & (R) correct but (R) is not explain of (A)
c) (A) correct (R) wrong  d) (A) wrong (R) correct
33. Odd one out :
a) issue of debentures  b) accepting deposits from the public
c) loans from commercial banks  d) share capital
34. Which of the following is wrong :
a) Reserve capital can be issued only at the time of winding up
b) A public issue cannot be kept open for more than 10 days
c) There should be a time gap of 3 months between two calls
d) Capital reserve represents capital profit
35. The management of a company is done by
   (i) Board of Directors  (ii) Share holders  (iii) Debenture holder
   a) (i) & (ii)  b) (i) & (iii)  c) (i) only  d) (ii) only
36. Match the following :
   A) Sec. 3(1)(ii) of the Companies Act 1956  -  1. Calls in advance a) 3  2  1
   B) Sec. 92 of the Companies Act 1956  -  2. Defines of a company b) 1  3  2
   C) Sec. 78 of the Companies Act 1956  -  3. Credit of the Securities c) 2  1  3
   d) premium account  d) 1  3  2
37. Assertion (A): A company is independent of its members.
   Reason (R): In existence is not affected by the coming in and going out of its members.
a) (A) & (R) correct but (R) is explain of (A)
b) (A) & (R) correct but (R) is not explain of (A)
c) (A) correct (R) wrong  d) (A) wrong (R) correct
38. Statement 1: Authorised capital is the maximum amount of capital which a company is authorised to raise and stated in the Memorandum of Association
   Statement 2: Authorised capital also called as paid up capital.
a) 1 correct but 2 wrong  b) 1, 2 correct  c) 1, 2 wrong  d) 1 wrong but 2 correct
39. The capital of the company is divided into units of small denomination. These units are called:
   a) debentures  b) shares  c) bonds  d) all of the above
40. Choose correct one :
   a) calls-in-arrears is shown in the balance sheet as addition to paid up capital
   b) capital reserve is shown on the asset side of balance sheet
   c) securities premium will appear in the liability side of the balance sheet
   d) The balance of forfeited share account is deducted from paid up capital
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41. The estimated sale value of the asset at the end of its economic life is called as _______ value a. Opening b. residual c. average d. net

42. _______ method of depreciation is used in the case of Lease.
   a. Straight line method b. Written down method c. annuity method
d. insurance policy method

43. Which of the following is correct?
   a. Internal Causes - wear and tear
   b. External Causes - Lack of proper maintenance
   c. Terms used for Depreciation - Effluxion of time
d. Straight Line Method - Decreasing every year

44. Which of the following is correct?
   a. Depletion - Fixed Assets
   b. Written down value method - Increase
c. Revaluation method - Revaluation
d. Fixed Assets - Short Period Use

45. Match List I with List II and select the correct answer using the codes given below
   LIST I
   A. Total Fixed Cost - i. Decrease
   B. Written down value - ii. Straight line method
   C. Insurance Policy method - iii. Long time Use
   D. Fixed Assets - iv. Premium

   LIST II
   a. i. ii. iii. iv b. ii. i. iv. iii. c. iv. iii. ii. i. d. ii. i. iii. iv

46. Which one of the following is not correctly matched
   a. Goodwill - Intangible Asset
   b. Revaluation method - Compare Closing and Opening Value of Assets
c. External cause - Effluxion of time
d. Internal cause - Obsolence

47. Pick the odd one out from the following
   a. Written down value method b. Annuity method
c. obsolescence d. revaluation method

48. Point out the wrong statement in the following statement:
   a. Loss on sale of fixed asset appear on the credit side of fixed assets.
   b. The amount of depreciation charged on machinery will be debited to depreciation account.
c. If selling price is less than the book value of asset it denotes loss.
d. Under diminishing balance method, depreciation increases every year.

49. Consider the following statement
   Assertion (A): Use of Fixed assets is the only cause for depreciation
   Reason (R): wear and tear is an important cause.
   Select the correct answer:
   a. (A) is true but (R) is false b. (A) is False but (R) is True
c. Both (A) and (R) are true and R is correct explanation for A
d. Both (A) and (R) is True and Rs not correct explanation for A

50. Point out the Correct Statement
   a. Amortization is terms used for Depreciation
   b. Residual value is also called as opening value
c. Lack of proper maintenance of Fixed Asset is External causes
d. Loose tools are depreciated under Insurance policy method

51. _______ Is a mathematical relationship between two items expressed in quantitative form
   a. Proportion b. Time c. Ratio d. percentage

52. 100% - Operating profit ratio is equal to _______ Ratio
   a. Gross Profit ratio b. Net profit ratio c. Operating profit ratio
d. Operating ratio.

53. Which of the following is correct?
   a. Solvency ratios - Proportion
   b. Liquidity ratios - Times
c. Profitability ratios - Average
d. Activity ratios - Ratio

54. Which of the following is correct?
   a. Gross profit = Sales + Cost of goods sold
   b. Fixed asset turnover ratio = Sales/Fixed assets
c. Average stock = Closing Stock/2
d. Liquid ratio = Current Asset/Current liability

55. Match List I with List II and select the correct answer using the codes given below
   LIST I
   A. Straight line method i. Percentage
   B. Profitability ratio ii. Sales - cost of Goods sold
   C. Proprietary ratio iii. Calculated on cost price
   D. Net profit ratio iv. Shareholders fund

   LIST II
   a. i. ii. iii. iv b. iii. i. iv ii. c. iv. iii. i. ii. d. iii. ii. i. iv
56. Pick the odd one out from the following

57. Which one of the following is not correctly matched
   a. Liquidity - Current ratio
   b. Solvency - Proprietary ratio
   c. Profitability - Gross profit ratio
   d. Activity - Operating ratio

58. Point out the wrong statement in the following statement:
   a. Ratio is an expression of one number in relation to another.
   b. Current assets are those assets, which are easily convertible into cash
      within one year.
   c. Solvency studies the firm's ability to meet its long term obligations.
   d. Cash budget is an estimate relating to current period.

59. Consider the following statement
   Assertion (A): Solvency studies the firm's ability to meet its long term indebtedness.
   Reason (R): Indicates the extent to which the firm depends upon outsiders
               for its existence
   Select the correct answer:
   a. (A) is true but (R) is false  b. (R) is true but (A) is false
   c. Both (A) and (B) is True    d. Both (A) and (R) is false

60. Which of the following is correct?
   a. Liquid Ratio = Liquid Asset / Current Liability
   b. Liquid Ratio = Liquid Asset / Liquid Liability
   c. Liquid Ratio = Current Asset / Liquid Liability
   d. Current Ratio = Current Asset / Liquid Liability

61. The term, 'cash' in cash budget stands for ......... and ......
   a. Loan, Bank  b. Cash, Loan  c. Cash, Bank  d. All the above

62. The opening balance of cash in April is Rs 1,250. Total receipts for the
    month are Rs 4300 and total payments amounted to Rs 3750. Opening
    balance of cash in may will be .........
    a. Rs 1250  b. Rs 1800  c. Rs 9300  d. Rs 8050

63. Budget is expressed in terms of

64. Budget is an estimate relating to ......... Period.

65. Pick the odd one out from the following
   a. Cash Sales  b. Sale of Fixed Asset  c. Loan from bank  d. Cash Purchase

66. Consider the following statement
   Assertion (A): Credit Purchase is not recorded in Cash Budget.
   Reason (R): Due to Delayed payment
   Select the correct answer:
   a. (A) is true but (R) is false  b. (R) is true but (A) is false
   c. Both (A) and (B) is True and (R) is Correct explanation for (A)
   d. Both (A) and (R) is True and (R) is not correct explanation for (A)

67. Which of the following is correct?
   a. Cash Purchase - Receipts
   b. Office Expenses - Receipts
   c. Income tax - Payments
   d. Sale of Asset - Payments

68. Pick the odd one out from the following
   a. Receipts and Payments method.
   b. Adjusted Profit and Loss account method or Cash flow method.
   c. Straight line method.

69. Match List I with List II and select the correct answer using the codes
    given below
    
    LIST I
    A. Receipts
    B. Credit Purchase
    C. Payments
    D. Cash Sales
    a. iv. iii. i  b. ii. iv. i. iii.  c. iv. iii. i. ii  d. iv. i. iii. i. ii

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