

Accounts Mock Test

- Q.1** A company offers to the public 10,000 shares for subscription. Application money is Rs.4, allotment money is Rs.3. The company receives application for 18,000 shares. If the shares are allotted on pro-rata basis as 2:3, then amount to be refunded is:
- (a) Rs.12,000                      (b) Rs.9,000                      (c) Nil                      (d) None of the above
- Q.2** Loss due to fire is credited to
- a) Trading A/c  
b) Profit and loss A/c  
c) Manufacturing A/c  
d) Capital A/c
- Q.3** In which of these areas there can be different accounting policies.
- a) Valuation of goodwill  
b) Method of providing depreciation  
c) Method of valuation of inventories  
d) All the three
- Q.4** X Paid Rent during the year ended 31/3/15 amounting to Rs. 1,89,000. Rent outstanding on 31/3/14 is = Rs. 10,000. Agreed Rent is Rs. 15,500 per month. So outstanding Rent on 31/3/15 is Rs. ?
- a. 9,000  
b. 8,000  
c. 7,000  
d. 6,000
- Q.5** Opening stock = Rs 2,00,000  
Purchases = Rs. 25,00,000  
Cost of goods sold =Rs. 23,00,000  
Goods Costing Rs. 50,000  
with Sale Value of Rs. 70,000 given as charity.  
Closing Inventory will be
- a. 3,30,000  
b. 3,50,000  
c. 3,70,000  
d. 4,00,000
- Q.6** Given- G.P - `4,50,000; expenses paid – `3,00,000 (including prepaid expense of Rs.24,000 for next year); Depreciation `70,000; Loss on sale of machine `4,000; Discount allowed `200; Goodwill w/o `20,000; gain on sale of land - `60,000. What is the amount of profit?
- (a) `1,21,800                      (b) `1,39,800  
(c) `1,25,800                      (d) `1,35,800
- Q.7** Sales = 39,00,000  
Return outwards = Rs. 50,000  
G.P. Ratio = 30% of cost  
Purchases = Rs. 32,00,000  
Opening stock 60,000  
Closing stock will be...
- a. 2,60,000  
b. 2,10,000  
c. 1,60,000  
d. 3,10,000

**Q.8** Which of these receipts is/ are capital receipts

- (a) Old bad debts amounting to Rs.5,000 fully written off recovered now.
- (b) Interest of fixed deposits held with Bank amounting to Rs.1,00,000.
- (c) Rs.5,000 being sale of by products and scrap and waste generated.
- (d) Insurance claim of Rs.20,000 received on account of damage of Plant and Machinery in a major fire.

**Q.9** Which of these is an error of commission

- a) Rs.5,000 received from Suman credited to Simran's A/c
- b) Freight paid on new machinery debited to freight A/c
- c) Salary of Rs.5,000 paid to Shyam debited to his A/c
- d) Rs.500 paid to Mohan omitted to be recorded in the books.

**Q.10** Purchases 25,00,000

Cost of goods available for sale = 29,00,000

Closing Stock = 3,00,000

Opening stock will be

- a. 4,00,000
- b. 1,00,000
- c. 6,00,000
- d. 7,00,000

**Q.11** Nominal Capital means:

- a) Authorized Capital
- b) Subscribed Capital
- c) Paid up Capital
- d) None

**Q.12** Goods worth Rs.5,000 were distributed as free sample, how free sample distribution will be accounted for in final A/c

- a) Debit to profit and loss A/c
- b) Credit to trading A/c
- c) Debit to trading A/c
- d) Debit to capital A/c

**Q.13** When balance as per passbook is the starting point cheque issued but not presented for payments are- for the purpose of reconciliation of balance with cash book.

- a) Deducted from bank as per cash book
- b) Added to the bank as per cash book
- c) Deducted from balance as per passbook
- d) Kept in abeyance for sometime

**Q.14** When balance as per cash book is the starting point cheque deposited but not cleared are for the purpose of reconciliation of balance with bank passbook

- a) Deducted from cash per cash book
- b) Added it the cash as per cash book
- c) Deducted from balance as per bank passbook
- d) Kept in abeyance from sometime

**Q.15** A..... is an event that both effects the financial position of an entity and can be expressed in monetary terms.

- a) Transaction
- b) Entity
- c) Episode
- d) Entry

**Q.16** Opening stock Rs.10,000 purchased Rs.1,10,000 sales Rs.1,20,000 if the profit margin on cost is 33-1/3%. closing stock will be

- a) Rs.40,000
- b) Rs.30,000
- c) Rs.35,000
- d) Rs.50,000

- Q.17** Ansh Kumar of Ahmedabad sends goods of the invoice value of Rs.2,16,000 (invoiced at 20% above cost price) on consignment to Bhasker of Bhopal and spent Rs.12,000 on freight, forwarding charges. Bhasker paid Rs.3,000 as rent and Rs.1,000 on insurance of godown. He sold goods costing Rs.1,20,000 for Rs.2,00,000 and failed to recover Rs.1,000 from one customer. Bhasker is entitled to 10% commission on the invoice price which is 20% above cost price and 5% (overriding commission) of any price above invoice price. Goods costing Rs.30,000 were substantially damaged in transit and only a claim of Rs.26,000 was admitted by Insurance company. The net abnormal loss transferred to Profit and loss A/c will be
- Rs.6,000
  - Rs.6,833
  - Rs.4,000
  - Rs.32,000
- Q.18** SSP & Co. has a finance manager and works manger. The finance manager in addition to his monthly salary is entitled to a commission of 8% on net profits after charging his commission but before charging Works managers commission. Works manager is eligible to a commission of 15% on net profits after charging finance manager's commission but before his commission. If the amount of net profit before charging works managers commission and finance managers commission is `8,54,940, the amount of commission payable to Finance manager and Works manager are
- `65,494 and `98,241 respectively
  - `63,329 and `1,18,742 respectively
  - `59,540 and `85,427 respectively
  - `85,427 and `59,540 respectively
  - `59,540 and `89,310 respectively
- Q.19** ..... are economic obligations of an organization to outsiders or claims against the assets by outsider
- Liabilities
  - Assets
  - Owners equity
  - Net worth
- Q.20** Goodwill is treated in :
- AS -5
  - AS -26
  - AS -10
  - AS - 6
- Q.21** Martin Industries allotted issued 100 shares of Rs.10 each issued at a discount of 10% to Y. he paid Rs.2 on application and failed to pay allotment money of Rs.3 subsequently his shares were forfeiture would be
- Share capital debit Rs.500 credit share forfeited A/c Rs.200 share allotment A/c 300
  - Share capital debit Rs.600 credit share forfeited A/c.300 share allotment A/c 300
  - Share capital debit Rs.600 credit share forfeited A/c Rs.200 share allotment A/c Rs.300 discount A/c Rs.100
  - Share capital debit Rs.500 credit share forfeited A/c Rs.200 share allotment A/c Rs.100 discount A/c Rs.200
- Q.22** ABC purchase a plant worth Rs.5,00,000 and issued his 55,000 equity shares of Rs.10 each as purchase consideration. The difference between the value of assets purchased and purchase consideration will be treated as-
- Goodwill
  - Capital reserve
  - Reserve capital
  - General reserve
- Q.23** The bank passbook shows a credit balance of Rs.5000 but the cash book shows a different balance. While analyzing the cause of difference it was noticed that a payment collected and credited by the

- bank amounting to Rs.1,000 was not recorded in the cash book. What would be the balances as per cash book.
- a) Rs.6,000
  - b) Rs.5,000
  - c) Rs.4,000
  - d) Rs.4,500
- Q.24** Dividend equalization fund is
- a) Capital reserve
  - b) Revenue reserve
  - c) Reserve capital
  - d) None of these
- Q.25** Original cost of the asset =Rs.5,00,000; Salvage value is Rs.60,000; Useful life is 4 Years. Depreciation as per WDV method for 2<sup>nd</sup> year is
- (a) 1,10,000
  - (b) 1,21,078
  - (c) 1,25,000
  - (d) none of the above
- Q.26** X Paid Rent during the year ended 31/3/15 amounting to Rs. 1,89,000. Rent in advance on 31/3/14 is = Rs. 12,000. Agreed Rent is = Rs. 15,500 per month. So Rent in advance on 31/3/15 is ...
- a. 11,000
  - b. 12,000
  - c. 15,000
  - d. 5,000
- Q.27** An old furniture was sold for Rs.2,000 but the amount has been entered in the sales Daybook as Rs.200. On rectification of this error suspense A/c will be
- a) Debited by Rs.1,800
  - b) Credited by Rs.2,000
  - c) Debited by Rs.2,200
  - d) Credited by Rs.400
- Q.28** On 15 February 2011, Mr. X sold 20 bags of cement powder @ Rs. 2,000 per bag to Y. Trade discount is 2%. Cash Discount is 5%. Sales tax is 8%. Amount of sales will be recorded as:
- (a) Rs.42,336
  - (b) Rs.40,219
  - (c) Rs.43,316
  - (d) None of the above
- Q.29** Gulshan Industries issued 18,000, 10% debentures of Rs.100 each at par and redeemable at 10% premium. At the time of issue, the entry to be passed will be
- a) Dr. Bank A/c Rs.18,00,000 loss on redemption of debenture Rs.1,80,000, Cr. Debentures A/c Rs.18,00,000, premium of redemption of debenture A/c Rs.1,80,000.
  - b) Dr. Bank A/c Rs.18,00,000, Discount on issue debentures A/c Rs.1,80,000, Cr. Debentures A/c Rs.18,00,000, Premium of redemption of debenture A/c Rs.1,80,000.
  - c) Dr. Bank A/c Rs.18,00,000, Loss on redemption of debenture Rs.1,80,000, Cr. Debenture A/c Rs.18,00,000, loss on issue of debenture A/c Rs.1,80,000.
  - d) Dr. bank A/c Rs.19,80,000, Cr. Debentures A/c Rs.18,00,000, Premium of redemption debenture A/c Rs.1,80,000.
- Q.30** From the following details what will be the bank balance as per pass book as on 31.03.2007
- Balance as per cash book as on 31.03.2007 Rs.2,10,000. Direct payment made by the Bank Rs.20,000 Cheques deposit Rs.8,000 and Rs.2,000 out of which cheque of Rs.8,000 collected by the bank on or before 31.03.2007. Cheque Rs.10,000 and Rs.5,000, 10,000 and Rs.5,000 were presented on or before 31.03.2007 Rs.8,000 interest on bank balance credited by the bank
- a. Rs.2,02,000
  - b. Rs.1,75,000
  - c. Rs.1,30,000
  - d. Rs.1,65,000

**Q.31** Select the odd one

- (a) Single entry system
- (b) Cost Accounting
- (c) Financial Accounting
- (d) Management Accounting

**Q.32** Over casting of purchase daybook will lead to

- (a) Over statement of profit
- (b) Under statement of profit
- (c) Over statement of sundry debtors
- (d) None

**Q.33** 10% debentures issued will be shown in B/S under the head:

- a) Share Capital
- b) Secured loans
- c) Unsecured loan
- d) non Current Liabilities

**Q.34** Inclusion of 3 months insurance paid in advance in insurance account will lead to

- (a) Over statement of net profit
- (b) Under reporting of profit
- (c) Inflation of liabilities
- (d) none

**Q.35** Plant and machinery are generally purchased for...

- (a) long term use
- (b) Short term use
- (c) For resale
- (d) consumption in Production process

**Q.36** Payment of a bill of exchange before the due date is called

- (a) Renewal of a bill of exchange
- (b) Dishonor of a bill of exchange
- (c) Discounting of a bill of exchange
- (d) Retirement of a bill of exchange

**Q.37** Profit and Loss Account shows—

- (a) Gross profit only
- (b) Gross loss only
- (c) Gross profit or loss
- (d) Net profit or net loss

**Q.38** Annual maintenance contract of computer lab amounting to Rs.4,00,000 is a

- a) Capital expenditure
- b) Revenue expenditure
- c) Deferred revenue expenditure
- d) None

**Q.39** Which of these items are shown in Profit & loss appropriation account

- a) Provision for bad debts
- b) Provisions for depreciation
- c) Provisions for bonus
- d) Provision for dividend

**Q.40** Which of these are not to be recorded in cash book.

- a) Goods worth Rs.5,000 sold on three months credit
- b) Interest paid Rs.3,000
- c) Cash received from the client
- d) Cheque dishonored

**Q.41** Salary outstanding account appearing in Trial Balance is shown in-

- a) Profit & Loss Account
- b) Trading Account
- c) Manufacturing Account
- d) Balance Sheet

**Q.42** Double accounting system owes its origin to

- (a) Luca Pacioli
- (b) Laco Pacioli
- (c) Pickless
- (d) Adam smith

**Q.43** Profit and loss account is prepared on

- a) Accrual basis
- b) Cash basis
- c) Mixed basis
- d) None

**Q.44** While preparing the trial balances for the year 05-06 the total of debit side of trial balances stood at Rs.1,00,000 and total of credit side stood at Rs.1,20,000. the difference could not be reconciled. Accordingly it was decided to prepare the final accounts without further delay. The trial balance would be made to reconcile by putting the difference to

- a) Capital Account
- b) Goodwill Account
- c) Suspense Account
- d) Cash Account

**Q.45** Double Entry means:

- a) One Debit and another Credit
- b) Both Debit
- c) Both Credit
- d) None

**Q.46** Rs.5,000 is to be paid to B from whom goods worth Rs.5,000 were purchased on 3 months credit. B's account appearing in trial balance will be shown-

- a) Under Sundry Debtors
- b) Under Bill Receivables
- c) Under Sundry Creditors
- d) Under Claims Receivable

**Q.47** Goods sent to consignee at 25% above cost and sale by consignee at 20% above invoice price.

Cash sales by consignee Rs.5,40,000 being 75% of credit sale. Consignee is entitled to commission as follows:

- (i) ordinary 8% of sales at invoice price.
- (ii) Overriding 20% of sales over & above invoice price.
- (iii) Del credere 5% of credit sale.

Total commission of consignee is

- a. 1,67,750                      b. 1,62,000                      c. 1,58,750                      d. 1,52,250

**Q.48** Which of the following is a non recurring expenses

- a) Godown rent
- b) Godown Insurance
- c) Selling and distribution expenses
- d) Custom and excise duties

**Q.49** X Paid Rent during the year ended 31/3/15 amounting to Rs. 1,89,000.

Rent outstanding on 31/3/14 is = Rs. 10,000.

Rent was Rs. 15,500 per month upto 30/9/14 & Rs. 16,500 thereafter. So amount chargeable through profit and loss Account is ..

- a. 1,92,000
- b. 1,79,000
- c. 1,99,000
- d. 1,82,000

**Q.50** Which of these account is (are) not carried forward to next year

- a) Wages account
- b) Cash in hand account
- c) Bank account
- d) Debtors account

**Q.51** A trader prepared his accounts on 31st March, each year. Due to some unavoidable reasons, no inventory taking could be possible till 15th April, 2011 on which data the total cost of goods in his godown came to ₹ 50,000. The following facts were established between 31st March and 15th April 2011:

- (i) Credit Sales ₹ 32,800 (80% of Total Sales)
- (ii) Purchases ₹ 5,034 (including cash purchases ₹ 1,990)
- (iii) Returns Outwards ₹ 2,000

Goods are sold by the trader at a profit of 20% on sales.

**You are required to** ascertain the value of inventory as on 31st March, 2011.

- (a) ₹ 84,966
- (b) ₹ 76,966
- (c) ₹ 68,966
- (d) 76,166

**Q.52** X of Kolkata sends out goods of the invoice value of ₹ 1,50,000 (being cost plus 25%) to Y of Delhi. 3/5th of the goods were sold by consignee for ₹ 1,70,000. Commission 2% on sales plus 25% of gross sales less all commission exceeds invoice price. The amount of Commission will be:

- a. 19,720
- b. 18,720
- c. 17,720
- d. 16,720

**Q.53** The following particulars are available in respect of the business carried on by a partnership firm:  
Trading Results:

2011	Profit	Rs. 25,000
2012	Profit	Rs. 38,000
2013	Profit	Rs. 40,000
2014	Profit	Rs. 50,000

**You are required to** compute the value of goodwill on the basis of 3 years purchase of average profit of the business.

- a. 1,26,300
- b. 1,14,750
- c. 1,28,000
- d. none of the above

**Q.54** Sales as per trial balance is Rs.5,20,000; Return outwards is Rs.25,000. Sales includes goods with sales value of Rs.40,000 (costing Rs.30,000) sent on approval basis. Sales manager is entitled to commission @ 6% of sales. Commission as per trial balance is Rs.15,000. Outstanding commission is

- a. Rs.13,800
- b. 12,300
- c. 12,900
- d. 15,300

**Q.55** Varun Associates purchased a new office building for Rs.10,00,000 by making a down payment of Rs.2,00,000 and executing a promissory note to pay the balance amount in 90 days. How this transaction is going to effect the balance sheet of Varun Associates.

- a) Total assets increased by Rs.10,00,000 and liabilities increased by Rs.8,00,000.
- b) Total assets increased by Rs.10,00,000 and liabilities also increased by Rs.8,00,000.
- c) Assets increased by Rs.10,00,000.
- d) Liabilities increased by Rs.8,00,000.

**Q.56** Opening Stock = 1,20,000  
Purchases = 26,00,000  
Returns inwards = 50,000  
Sales = 30,00,000  
G.P. Ratio 25% of Cost  
Closing Inventory will be .....

- a. 3,20,000

- b. 4,00,000
- c. 3,60,000
- d. 4,40,000

**Q.57** D and E are partners in a firm with capitals of Rs.6,00,000 each. They admit F as a partner with  $\frac{1}{4}$ th share in the profits of the firm. Deepak bring Rs.8,00,000 as his share of capital. The profit and loss account showed a credit balance of Rs.4,00,000 as on the date of his admission. The value of hidden goodwill will be:

- (a) Rs.14,00,000                      (b) Rs.12,00,000                      (c) Rs.10,00,000                      (d) Rs.8,00,000

**Q.58** X and Y were partners sharing profits in the ratio of 3 : 2. They admitted P and Q as new partners. X surrendered  $\frac{1}{3}$ rd of his share in favor of Q and Y surrendered  $\frac{1}{4}$ th of his share in favor of P. Calculate the new profit-sharing ratio of X, Y, P and Q.

- a. 4: 3: 2: 1
- b. 4: 3: 1: 2
- c. 2: 4: 3: 1
- d. 4: 2: 3: 1

**Q.59** A, B and C are partners in a firm sharing profits and losses in the ratio of 5: 3: 2. B retires from firm and his share was taken up by A and C in the ratio of 1: 2. New P.S.R is

- a. 2:3
- b. 3:2
- c. 5:3
- d. 5:2

**Q.60** Consider the following data pertaining to Dileep Company for the period 2004-05:

Particulars	
Opening inventory	5,00,000
Purchases during the year	25,00,000
Sales during the year	32,00,000

Physical inventory taken on March 31,05 showed an ending inventory of `6,75,000. Company's gross profit on sales was constant at 30% throughout the year. The management of the company suspects pilferage of inventory. The estimated cost of missing inventory on the last day of the financial year was:

- (a) ` 1,25,000
- (b) ` 75,000
- (c) ` 85,000
- (d) ` 25,000