

Subject: Financial Accounting

| | Question | Answer1 | Answer2 | Answer3 | Answer4 |
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| 1 | If the ABC Limited and DEF Limited are taken over by a new company XYZ Limited, it is called- | Absorption | Amalgamation | External Reconstruction | Internal Reconstruction |
| 2 | If the business of an existing company ABC Limited is taken over by an existing company PQR Limited, it is called | External Reconstruction | Internal Reconstruction | Absorption | Amalgamation |
| 3 | If the business of ABC Limited, a loss-making company, is taken over by a new company ABC Limited, it is called- | Internal Reconstruction | Absorption | External Reconstruction | Amalgamation |
| 4 | when the merger involves liquidation of two existing company and formation of one new company, it is called- | Internal Reconstruction | Absorption | External Reconstruction | Amalgamation |
| 5 | According to AS-14, Transferor Company means the company- | Which Is Amalgamated Into Another Company | Into Which A Company Is Amalgamated | Which Is Newly Formed | None Of The Above |
| 6 | Accounting for amalgamation is governed by- | Accounting Standard-1 | Accounting Standard-14 | Accounting Standard 13 | Accounting Standard 11 |
| 7 | According to AS-14, Amalgamation falls into two categories- | Amalgamation And Absorption | Merger And Purchase | Amalgamation And Reconstruction | External And Internal Reconstruction |
| 8 | On amalgamation, Profit and Loss a/c (Dr.) balance of the vendor company is closed by- | Debit To Realisation A/C | Debit To Equity Shareholders A/C | Debit To Profit And Loss A/C | Credit To Equity Shareholders A/C |

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| 9 | On amalgamation, Provident Fund A/c appearing on the Liabilities side of the balance sheet of the vendor company is closed by- | Credit To Purchasing Company | Credit To Realisation A/C | Credit To Equity Shareholders A/C | Debit To Realisation A/C |
| 10 | Pooling of interest' is a method of- | Charging Depreciation | Accounting For Amalgamation | Calculation Of Purchase Consideration | External Reconstruction |
| 11 | The amounts paid by the Purchasing Company to discharge the debentures are- | Ignored While Calculating Purchase Consideration By Net Payment Method | Ignored While Calculating Purchase Consideration By Net Asset Method | Considered While Calculating Purchase Consideration By Net Asset Method | Considered While Calculating Purchase Consideration By Net Payment Method |
| 12 | Amalgamation adjustment reserve is opened in the books transferee company to incorporate in its books: | The Assets Of The Transferor Company | The Liabilities Of The Transferor Company | The Statutory Reserve Of The Transferor Company | External Reconstruction |
| 13 | Closing rate is the- | The Exchange Rate At The Balance Sheet Date | Mean Of The Exchange Rates In Force During A Period | Ratio For Exchange Of Two Currencies | Rate At Which An Asset Could Be Exchanged Between Knowledgeable, Willing Parties In An Arm's Length Transaction |
| 14 | currency used in presenting the financial statements- | Reporting Currency | Non-Foreign Currency | Official Currency | Indian Rupees |
| 15 | Money held assets and liabilities to be received or paid in fixed or determinable amounts of money- | Current Items | Non-Monetary | Monetary Items | Forward Exchange Contract |
| 16 | Following is not an example of Monetary Item- | Cash | Receivables | Payments | Fixed Assets |
| 17 | No exchange difference will arise on- | Inventory, Fixed Assets, Investments Ets. Valued At Historical Cost Denominated In A Foreign Currency | Cash, Debtors Or Creditors | Inventory, Fixed Assets, Investments Et Which Are Carried In Terms Of Fair Value, Denominated In A Foreign Currency | (A) And (C) |

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| 18 | The mean of the exchange rates in force during a period is known as- | Average Rate | Fair Rate | Closing Rate | Reporting Rate |
| 19 | An exchange difference results when there is change in- | The Exchange Rate Between The Transaction Date And The Date Of Settlement Of Any Non-Monetary Items Arising From A Foreign Currency Transaction | The Fair Value Rate Between The Transaction Date And The Date Of Settlement Of Any Monetary Items Arising From A Foreign Currency Transaction | The Exchange Rate Between The Transaction Date And The Date Of Settlement Of Any Monetary Items Arising From A Foreign Currency Transaction | Closing Rate |
| 20 | which of the following statement is false? At each balance sheet date, - | Foreign Currency, Monetary Items Should Be Reported Using The Closing Rate | Non-Monetary Items Which Are Carried In Terms Of Historical Cost Denominated In A Foreign Currency Should Be Reported Using The Exchange Rate At The Date Of The Transaction | Non-Monetary Items, Which Are Carried At Fair Value Denominated In A Foreign Currency Should Be Reported Using The Exchange Rates That Existed When The Values Were Determined | Foreign Currency, Monetary Items Should Be Reported Using The Average Rate During The Year |
| 21 | At each balance sheet date, non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, should be reported using the- | Exchange Rate At The Date Of Transaction | Exchange Rates That Existed When The Values Were Determined | Closing Exchange Rate At The Date Of Balance Sheet | Average Exchange Rate During The Financial Year |
| 22 | The contingent liability denominated in foreign currency at the balance sheet date is disclosed by using the- | Average Rate | Closing Rate | Non-Monetary Rate | Monetary Rate |
| 23 | A contributory is a - | Unsecured Creditor | Preferential Creditor | Shareholder | Debentureholder |
| 24 | List 'E' in statement of affairs is the list of- | Preferential Creditors | Unsecured Creditor | Debentureholders | Secured Creditors |
| 25 | Preferential Creditors are shown in the statement of affairs under: | List D | List C | List B | List A |

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| 26 | When a Company is Wound-up, all persons who ceased to be the shareholders within a year before the winding-up are placed in the_____ list of Contributories | 'A' | 'B' | 'C' | 'D' |
| 27 | Amount of Retirement benefits of employees exceeding RS. 20,000 per employee is treated as - | Secured Creditor | Over-Riding Preferential Creditor | Preferential Creditor | Unsecured Creditor |
| 28 | Accrued holiday remuneration becoming payable to any workman is treated as-- | Secured Creditor | Over-Riding Preferential Creditor | Preferential Creditor | Unsecured Creditor |
| 29 | Liability for compensation under workmen's Compensation Act is treated as- | Secured Creditor | Over-Riding Preferential Creditor | Preferential Creditor | Unsecured Creditor |
| 30 | If the remuneration to liquidator is payable as a percentage of collection | Include Opening Cash And Bank Balance | Exclude Closing Cash And Bank Balance | Exclude Opening Cash And Bank Balance | Exclude Both Opening And Closing Cash And Bank Balance |
| 31 | If the remuneration to liquidator is payable on distribution | Exclude Distribution To Preferential And Unsecured Creditors And Contributories | Include Distribution To To Preferential And Unsecured Creditors But Exclude Distribution To Contributories | Exclude Distribution To Preferential Creditors But Include Distribution To Unsecured Creditors And Contributories | Include Distribution To Preferential And Unsecured Creditors And Contributories |
| 32 | All contributions payable during the 12 months next under the Employees State Insurance Act, 1948 are treated as- | Over-Riding Preferential Creditors | Preferential Creditor Unless The Company Is Being Wound-Up Voluntarily For The Purpose Of Reconstruction | Unsecured Creditors | Preferential Creditors Unless The Company Is Being Wound Up Compulsorily By The Court |
| 33 | The underwriting commission in case of RS. 4 lakh preference shares capital subscribed to by the public, under Ministry Of Finance Guidelines, should not exceed _____% of the issue price | 2.5 | 1 | 2 | 1.5 |

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| 34 | According to the Companies Act the underwriting commission on shares should not exceed- | 5% | 2.50% | 10% | 1% |
| 35 | Marked Applications refers to applications- | Bearing The Seal Of Underwriting | Bearing The Signature Of Applicants | Issued By Company | Closing Rate |
| 36 | If a part of the issue of shares or debentures is underwritten it is known as- | Partial Underwriting | Sole Underwriting | Firm Underwriting | Closing Rate |
| 37 | Unmarked Applications refers to applications- | Bearing The Stamp Of Underwriters | From Public Received Directly By The Company Without Bearing Any Stamp Of Underwriters | Issued By Company To Underwriters | Exclude Closing Cash And Bank Balance |
| 38 | The underwriting commission in the case of debentures as per Companies Act, should not exceed ____ % of the price at which the debentures are issued | 5% | 4% | 2.50% | 7.50% |
| 39 | The underwriting commission in the case of preference shares / debentures beyond RS. 5 lakh as per SEBI guidelines, should not exceed ____ % | 2 | 2.5 | 5 | 1.5 |
| 40 | K Ltd. Issued shares of RS. 1,000 each at RS. 950. The Underwriting Commission will be paid on RS.---- | 1,000 | 950 | 1,950 | 50 |
| 41 | Limited Liability Partnership should have minimum | 7 Partners | 50 Partners | 2 Partners | 3 Partners |
| 42 | The maximum number of partners Limited Liability Partners can have is - | 50 Partners | 2 Partners | 7 Partners | No Limit |

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| 43 | Every limited liability partnership shall have at least ____ designated partners who are individuals | 7 | 50 | 2 | 3 |
| 44 | At least _____ of the designated partners of every limited liability partnership shall be a resident in India | One | Two | Three | Seven |
| 45 | In absence of Limited Liability Partners agreement, the mutual rights of the partners and in relation to Limited Liability Partners will be determined as per schedule _____ of the LLB Act 2008 | I | Vi | Ii | Viii |
| 46 | A Limited Liability Partnership whose contribution exceeds RS. RS. _____ is required to annually get its account audited by any Chartered Accountant in practice. | 40 Lakh | 1 Lakh | 25 Lakh | 50 Lakh |
| 47 | A limited liability partnership whose turnover exceeds RS. _____ is required to annually get its account audited by any Chartered Accountant in practice. | 1 Lakh | 40 Lakh | 25 Lakh | 50 Lakh |
| 48 | Limited Liability Partners is governed by | Partnership Act, 1932 | Companies Act, 1956 | Companies Act, 2013 | Limited Liability Partnership Act, 2008 |
| 49 | A partner of Limited Liability Partner has the following rights : | Participate In The Management Of The LLP | Get Remuneration For Participating In The Management Of LLP | Share Equal Profits In The LLP | Transfer His Right To Share In The Profit / Losses Of The LLP |
| 50 | Provisions for Depreciation Account in Trial Balance, adjusted in ____ | Profit & Loss Account | Trading Account | Deduct From Assets A/ Under Fixed Assets | Limited Liability Partnership Act, 2008 |