

1. Investing Activities includes :

- (A) Loan given to third party
- (B) Acquire shares warrants
- (C) Repayments of amount borrowed
- (D) Dividend received from Investment
- (E) Issue of shares

Choose the **correct** answer from the options given below :

- (1) (C), (A) and (D) only (2) (C), (A) and (E) only  
 (3) (A), (B) and (D) only (4) (B), (A) and (C) only

2. Which of the following items is shown under the head 'Current assets' while preparing company's Balance Sheet ?

- (1) Investment in Property
- (2) Patents
- (3) Inventories
- (4) Vehicles

3. Match **List - I** with **List - II**.

**List - I**

- (A) Application Money should be at least
- (B) The interest rate on calls in Arrears
- (C) The interest rate on calls in Advance
- (D) The amount of calls should not exceed

**List - II**

- (I) 25% of face value
- (II) 12% p.a.
- (III) 10% p.a.
- (IV) 5% of face value

Choose the **correct** answer from the options given below :

- (1) (A)-(IV), (B)-(II), (C)-(I), (D)-(III)  
 (2) (A)-(IV), (B)-(II), (C)-(III), (D)-(I)  
 (3) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)  
 (4) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)

4. A & B are partners sharing profits & losses in the ratio of 3 : 2. They admit C for 1/4th share in the profits. On the date of admission, there exists a General Reserve of Rs. 4,60,000. They decided to retain it in the new Balance Sheet. The accounting treatment for it would be :

- (1) C's capital a/c will be debited by Rs. 1,15,000
- (2) C's capital a/c will be credited by Rs. 1,15,000
- (3) A's capital a/c will be debited by Rs. 69,000
- (4) B's capital a/c will be debited by Rs. 46,000

5. At the time of retirement of partner, If General Reserve appears in Balance Sheet of the firm, it will be distributed among the partners in :

- (1) Gaining Ratio
- (2) Sacrificing Ratio
- (3) Old Profit Sharing Ratio
- (4) New Profit Sharing Ratio

6. Which alignment is assigned to most values by default ?

- (1) Right (2) Centre
- (3) Left (4) Decimal

7. Cash equivalents include :

- (A) Commercial paper issue by a company
- (B) Marketable Securities
- (C) Demand deposit
- (D) Cash in hand
- (E) Investment in shares

Choose the **correct** answer from the options given below :

- (1) (A), (B) and (C) only (2) (B), (A) and (C) only  
 (3) (A), (C) and (E) only (4) (B), (C) and (D) only

8. X and Y are partners in a firm. X withdraws Rs. 5,000 in the beginning of each month for his personal use. As per partnership deed, interest on drawings is charged @12% p.a. The interest on drawings will be :

- (1) Rs. 325 (2) Rs. 3,900
- (3) Rs. 3,600 (4) Rs. 3,300

9. Interest paid on long term borrowings is presented as an addition to Net Profit before tax, being a

- (1) Non Cash item (2) Operating item
- (3) Non-operating item (4) Cash Expense

10. Dissolution of Partnership Firm Means :

- (A) Assets are sold and liabilities are paid off
- (B) The business of the firm is closed
- (C) The books of account are closed
- (D) Economic relationship between the partners continues.
- (E) Assets are revalued and liabilities and reassessed

Choose the **correct** answer from the options given below :

- (1) (B), (C) and (D) only (2) (A), (B) and (D) only  
 (3) (A), (C) and (E) only (4) (A), (B) and (C) only



18. Subscription received during the year is Rs. 20,000; amount received in advance for the next year is Rs. 1,200; amount outstanding for the current year is Rs. 1,600. Select the amount of subscription to be credited to the Income & Expenditure Account is :
- (1) Rs. 16,000                      (2) Rs. 20,400  
(3) Rs. 16,800                      (4) Rs. 18,400
19. Identify the **correct** sequence to be followed at the time of Dissolution of Partnership firm:
- (A) Payment of Partner's Loan Account  
(B) Realisation of Assets  
(C) Prepare Cash/Bank Account  
(D) Prepare Partner's Capital Account  
(E) Payment of outsiders liability
- Choose the **correct** answer from the options given below :
- (1) (B), (C), (A), (D), (E) (2) (B), (E), (A), (D), (C)  
(3) (B), (A), (C), (D), (E) (4) (B), (D), (C), (A), (E)
20. The correct sequence for preparing Receipt and Payment Account:
- (A) Take the opening balance of Cash in hand and Cash at bank  
(B) Find out the difference between total of Debit side and total of Credit side of the Account and enter the same on credit side as closing balance of cash/bank  
(C) Total amounts of all receipts on its debit side  
(D) Total amounts of all payments on its credit side  
(E) None of the receivable income and payable expenses is to be entered in this account
- Choose the correct answer from the options given below:
- (1) (C), (B), (A), (D), (E)  
(2) (A), (C), (D), (E), (B)  
(3) (A), (D), (B), (C), (E)  
(4) (A), (B), (C), (D), (E)
21. Which of the following options in a financial function indicates the interest for a period?
- (1) FV                                      (2) Nper  
(3) PV                                      (4) Rate
22. Calculate interest on Tushar's drawings 14% p.a. If he had drawn Rs. 1,35,000 during the year.
- (1) Rs. 9,450                              (2) Rs. 18,900  
(3) Rs. 10,237                              (4) Rs. 9,375
23. If a share of Rs. 10 issued at a premium of Rs. 3, on which the full amount has been called and Rs. 8 has been paid on it (*including premium*), is forfeited, then the share capital is debited with :
- (1) Rs. 8                                      (2) Rs. 5  
(3) Rs. 10                                      (4) Rs. 13
24. Dividend paid by a non finance company is
- (1) Operating Activity  
(2) Investing Activity  
(3) Financing Activity  
(4) Cash & Cash Equivalents
25. On Dissolution of a firm, debtors were Rs. 17,000 of these Rs. 500 become bad and rest realised at 60%. Which account will be debited and with how much amount ?
- (1) Realisation A/c by Rs. 16,500  
(2) Profit & Loss A/c by Rs. 500  
(3) Cash A/c by Rs. 9,900  
(4) Debtors A/c by Rs. 7,100
26. A partnership firm with partners A, B and C sharing profits in the ratio of 2 : 2 : 1. On 1st April, 2022 they decided to change the profit sharing ratio to 5 : 3 : 2. On that date debit balance of Profit & Loss Account was Rs. 75,000 appeared in the Balance Sheet and partners decided to pass an adjusting entry for it.
- Which of the undermentioned options reflect the correct treatment for the above information ?
- (1) B's capital Account will be debited by Rs. 7,500 and A's capital Account will be credited by the same amount  
(2) A's capital account will be debited by Rs. 7,500 and B's capital account will be credited by Rs. 7,500  
(3) B's capital account will be debited by Rs. 7,500 and C's capital account will be credited by Rs. 7,500  
(4) B's capital account will be debited by % 7,500 and A's capital account and C's capital account are credited by Rs. 5,000 and Rs. 2,500 respectively
27. Unrecorded assets when taken over by a partner are shown in :
- (1) Debit of Bank A/c  
(2) Debit of Realisation A/c  
(3) Credit of Bank A/c  
(4) Credit of Realisation A/c



39. Arrange the following categories of capital in correct sequence.

- (A) Issued Capital
- (B) Subscribed Capital
- (C) Authorised Capital
- (D) Called up Capital
- (E) Paid up Capital

Choose the **correct** answer from the options given below :

- (1) (C), (A), (B), (D), (E)
- (2) (A), (B), (C), (D), (E)
- (3) (D), (B), (C), (A), (E)
- (4) (B), (A), (C), (D), (E)

40. Match List - I with List II.

**List - I**

- (A) Activity Ratios
- (B) Profitability Ratios
- (C) Solvency Ratios
- (D) Liquidity Ratios

**List - II**

- (I) Ratios which help in the analysis of profit in relation to revenue from operations
- (II) Ratios which determine the ability of a business to meet its short term commitments
- (III) Ratios that are calculated for measuring the efficiency of operations of business based on effective utilisation of resources
- (IV) Ratios that determine the ability to meet its contractual obligations towards stakeholders

Choose the **correct** answer from the options given below :

- (1) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
- (2) (A)-(II), (B)-(IV), (C)-(I), (D)-(III)
- (3) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (4) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)

**Direction for questions 41 to 45:** Based on following case, answer question.

A Ltd issued 2000, 10% debenture of Rs. 100 each on April 1, 2019 at a discount of 10% redeemable at a premium of 10% after five years. Company purchased assets of the book value of Rs. 2,20,000 from B Ltd. at

book value and agreed to make payment of purchase consideration by issuing another 2000, 10% Debentures of Rs. 100 each at a premium of 10% on above mentioned date only.

41. Debenture issued will be shown in the Balance Sheet as at Mar. 31, 2020 under :

- (1) Other Long Term Liabilities
- (2) Long Term Borrowings
- (3) Research and Surplus
- (4) Short Term Borrowings

42. Entry for issue of Debentures to B Ltd. would be:

- (1) B Ltd. Dr Rs. 2,20,000  
     To 10% Debentures A/c Rs. 2,00,000  
     To Capital Reserve A/c Rs. 20,000
- (2) Assets A/c Dr Rs. 2,20,000  
     To B Ltd. Rs. 2,20,000
- (3) B Ltd. Dr Rs. 2,20,000  
     To 10% Debentures A/c Rs. 2,20,000
- (4) B Ltd. Dr Rs. 2,20,000  
     To 10% Debentures A/c Rs. 2,00,000  
     To Securities premium reserve A/c Rs. 20,000

43. Calculate interest on Debenture for year 2019-20 from the above given information:

- (1) Rs. 20,000
- (2) Rs. 1,60,000
- (3) Rs. 40,000
- (4) Rs. 1,40,000

44. On 31st March 2020, Premium on Redemption of Debentures will be shown in Balance Sheet under :

- (1) Shareholder's funds
- (2) Other long-term liabilities
- (3) Long term provisions
- (4) Current liabilities

45. Loss on issue of Debentures A/c to be written off our of statement of P and L will be :

- (1) Rs. 40,000
- (2) Rs. 60,000
- (3) Rs. 20,000
- (4) Rs. 10,000

**Direction for questions 46 to 50:** On the basis of the following information, answer the question :

Particulars	Amount (Rs.)
Share Capital:	
Equity share capital (Rs. 10 each)	12,00,000
12% Preference share capital	3,00,000
Reserves & Surplus	5,00,000
10% Debentures	12,00,000
Current Liabilities	3,00,000
Fixed Assets	28,00,000
Current Assets	7,00,000
Net profit after tax as per Statement of Profit & Loss	4,50,000
Tax	1,50,000
Market Price of the Share	34

**46.** Return on Investment will be

- (1) 18.45%                      (2) 22.5%  
 (3) 17.52%                      (4) 35.08%

**47.** Debt - Equity ratio of the company is :

- (1) 0.6 : 1                      (2) 0.75 : 1  
 (3) 0.8 : 1                      (4) 1 : 1

**48.** Debt-Equity ratio is a measure of :

- (1) Profitability of business  
 (2) Liquidity position of business  
 (3) Efficiency in use of business resources  
 (4) Solvency of business

**49.** To measure the short term financial position \_\_\_\_\_ ratio can be calculated.

- (1) Gross Profit Ratio  
 (2) Current Ratio  
 (3) Total Assets to Debt Ratio  
 (4) Proprietary Ratio

**50.** Interest on Debentures will be :

- (1) Rs. 60,000                      (2) Rs. 1,00,000  
 (3) Rs. 1,20,000                      (4) Rs. 2,40,000