



## Accounting Practice MCQs Competitive Exams Set 12

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(6) Ordinarily one can have the following partners in a partnership in Pakistan under the Partnership Act 1932.

- (a) 10
- (b) 20
- (c) 30
- (d) None of these

Answer. (b)

(7) Working Capital finance can be termed as "Running Finance" in a limited company.

- (a) True
- (b) False

Answer. (a)

(8) Income from Capital gains arising out of trading on a stock exchange in Pakistan is taxable these days: (a) True

- (b) False

Answer. (a)

(9) Conversion Cost is calculated as under:

- (a) Labour Plus Materials
- (b) Labour plus overheads
- (c) None of these

Answer. (b)

(10) Current Ratio can be calculated as under:

- (a) Current Liabilities/Current Assets
- (b) Current Assets/Current Liabilities
- (c) None of these

Answer. (b)

(1) The need for keeping a record of income and expenditure in a clear and systematic manner has given rise to the subject of:

- (a) Book keeping
- (b) Accounting cycle
- (c) Manufacturing
- (d) None of these

Answer. (a)

(2) If proper books of accounts are not kept in a business the amount of profit:

- (a) Can be ascertained
- (b) Cannot be ascertained
- (c) Easily ascertained
- (d) None of these

Answer. (b)

(3) The stage under which transactions are recorded chronologically in the books of accounts is called: (a) Summarizing

- (b) Classifying
- (c) Recording
- (d) None of these

Answer. (c)

(4) Book-keeping is mainly concerned with:

- (a) Recording of a financial data relating to business transactions
- (b) Designing the systems in recording, classifying, summarizing the recorded data
- (c) Interpreting the data for internal and external users
- (d) None of these

Answer. (a)

(5) The term expenses and expenditure are:

- (a) Same in nature
- (b) Different in nature

(c) Opposite in nature

(d) None of these

Answer. (a)

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