



Accounting Practice MCQs Competitive Exams Set 9

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(1) Maximum number of partners in a partnership firm set up in Pakistan under Partnership Act, 1932 is: (a) 5

(b) 25

(c) 20

(d) None of these

Answer. (c)

(2) Preparation of final financial reports is governed in Pakistan under:

(a) No law

(b) Companies Ordinance 1984

(c) None of these

Answer. (b)

(3) Depreciation is based on:

(a) Economic life of asset

(b) Declared life of asset by supplier

(c) Normal life of asset

(d) None of these

Answer. (a)

(4) Inventory turnover is calculated as under:

(a) Cost of Goods sold/Closing Inventory

(b) Gross profit/Closing Inventory

(c) Sales/Opening Inventory

(d) None of these

Answer. (a)

(5) There is a difference between:

- (a) Worksheet and Balance Sheet
- (b) Worksheet and profit and loss account
- (c) Worksheet as combination of results of profits and financial positions
- (d) None of these

Answer.

(6) Deferred Revenue is:

- (a) Liability
- (b) Asset
- (c) None of these

Answer. (a)

(7) Preparation of annual report of a firm is governed under:

- (a) Partnership Act 1932
- (b) Under partnership Deed
- (c) None of these

Answer. (c)

(8) Deferred Taxation amount be treated as:

- (a) Foot note
- (b) An item in the Balance Sheet on asset side
- (c) None of these

Answer. (b)

(9) Return of Equity will be calculated as under:

- (a) $\text{Operating Profit} \times 100 / \text{Equity}$
- (b) $\text{Net profit} \times 100 / \text{Paid up Capital only}$
- (c) None of these

Answer. (b)

(10) Current maturity of long term loan is:

- (a) Current Liability

(b) Long Term Liability

(c) None of these

Answer. (a)

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