

Competitive Exams: Commerce MCQs (Practice-Test 44 of 99)

1. A business entity has an opening balance of Rs. 5, 000 as provision for bad and doubtful debts. Total sales amounts to Rs. 6, 00, 000 and out of which Rs. 1, 00, 000 worth of sales is for cash. A provision of 1% is to be made on outstanding debtors. The amount to be debited to profit and loss account for current year's provision on debtors will be
 - a. Rs. 6, 000
 - b. Rs. 5, 000
 - c. Rs. 1, 000
 - d. Nil
2. Which of the following method (s) is/are followed for the purpose of piecemeal distribution in the case of dissolution of a partnership firm?
 - a. Proportionate Capital Method
 - b. Maximum Possible Loss Method
 - c. Reconstruction and Distribution

Method

Select the correct answer using the codes given below:

- a. 3 alone
 - b. 1 and 3
 - c. 2 and 3
 - d. 1 and 2
3. Consider the following parties:
 - a. Secured creditors
 - b. unsecured creditors
 - c. Partners who granted loans
 - d. partners who contributed capitals in excess as compared to the profit sharing ratio

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The correct sequence in which payments are to be made to these parties in the event of the dissolution of a partnership firm is

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

4. Match list I (Provision of partnership Act) with List II (Matters with which the provision are related) and select the correct answer using the codes given below the list:

List-I

- a. Interest must be allowed at the rate of 6% p.
a.
- b. No interest shall be allowed
- c. No interest shall be charged
- d. Must be shared equally by all the partners
unless otherwise agreed

List-II

- a. Drawings of partners
- b. Net loss of the firm for an
accounting year
- c. capitals contributed by the
partners
- d. Loan given by a partner to
the firm

A B C D

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

5. The following information pertains to a cultural club: Stock of tinned provisions: Rs. 25, 000 (as on 1.4. 94) Purchased during the year: Rs. 1, 50, 000 Stock of tinned provisions: Rs. 50, 000 (as on 31.3. 95) Sale of tinned provisions: Rs. 1, 50, 000 During the year The

amounts to be debited and credited respectively to the income and Expenditure Account would be

- a. Rs. 1, 75,000 and Rs. 1, 50, 000
- b. Rs. 1, 25, 000 and Rs. 1, 75, 000
- c. Rs. 1, 25, 000 and Rs. 1, 50, 000
- d. Rs. 1, 75, 000 and Rs. 1, 25, 000

6. A cricket club has 50 members and each member pays Rs. 20 as monthly subscription 5 members paid advance subscription for the financial year. 1994 – 94 and 10 members failed to pay subscription for the year. 1993 – 94. The amount to be credited as subscription to Income and Expenditure Account would be

- a. Rs. 12, 000
- b. Rs. 10, 800
- c. Rs. 9, 600
- d. Rs. 8, 000

7. The following information is provided by a culture club: Stock of sports goods: Rs. 20, 000 Purchase of sports goods: Rs. 80, 000 during the accounting period Sports goods sold as scrap: Rs. 500 Closing balance: Rs. 30, 000 The amount to be charged to Income and Expenditure Account as sports goods consumed will be

- a. Rs. 69, 500
- b. Rs. 70, 000
- c. Rs. 70, 500
- d. Rs. 80, 000

8. A trader maintains his books of accounts on Single Entry basis. His books of accounts show that his total purchases during the year were Rs. 90, 000. Of which he returned goods worth Rs. 10, 000. His credit sales were Rs. 50, 000 and eash sales were Rs. 80, 000. Of the total sales goods returned was Rs. 30, 000. Closing stock is Rs. 12, 000. He sells his goods at cost plus 33 $\frac{1}{3}$ %. His opening stock is

- a. Rs. 12, 000
- b. R. s. 10, 000
- c. Rs. 8, 000
- d. Rs. 7, 00

9. A firm which keeps its books of accounts on Single Entry system has opening balance and closing balance of Bills Receivable as Rs. 9, 000 and Rs. 11, 000 respectively. Bills collected during the financial period amount to Ps. 29, 000, Bills Receivable received during the financial period amount to
- R. s. 22, 000
 - Rs. 18, 000
 - Rs. 12, 000
 - Rs. 11, 000
10. Which preparing accounts from incomplete records, the amount of credit sales is determined by
- preparing total creditors account
 - preparing total debtors account
 - ascertaining the balance in trading account other than closing stock
 - ascertaining the balance in debtors account and cash book
11. The minimum share application money is
- Rs. 5 per share
 - 5% of the nominal value of shares
 - 10% of the nominal value of shares
 - 20% of the nominal value of shares
12. When shares are forfeited, Capital Account is debited by
- forfeited amount
 - called up amount on shares
 - paid up amount on shares
 - amount of Capital Reserve
13. After the redemption of debentures, the balance of debenture sinking fund is transferred to
- Debenture account
 - General Reserve

c. Profit and Loss account

d. Capital Reserve

14. Right shares are the shares

a. issued to the directors of the company

b. first offered to the debenture holders

c. first offered to the existing shareholders

d. issued by a newly formed company

15. Debentures can be redeemed be

a. purchase of own debentures in the open market

b. convening them into a new class of debenture

c. converting them into shares

d. any of the methods mentioned in a, b & c above