

**Examrace**

▶ Examrace 463K

## Competitive Exams: Commerce MCQs (Practice-Test 67 of 99)

- In which account are the revenue as well as expenses shown on cash basis?
  - Income and Expenditure account
  - Profit and Loss account
  - Profit and Loss Appropriation account
  - Receipts and Payments account
- X and Y are partners in a firm sharing profits and losses in the ratio 5: 3. They admitted Z into the firm. The new. Profit and loss sharing ratio is 3: 2: 1. What are the values of sacrificing ratios of X and Y? X Y
  - $\frac{1}{8}$   $\frac{1}{24}$
  - $\frac{1}{3}$   $\frac{1}{6}$
  - $\frac{3}{8}$   $\frac{1}{24}$
  - $\frac{1}{12}$   $\frac{1}{12}$  (Le. equal)
- Match List. I (Transaction) with List-II (Entry to be Made) and select the correct answer using the code given below the Lists:

List-I

- Loss on realization
- Profit on realization
- Assets sold
- Creditors paid

List-II

- Debit partner's capital account
- Credit realization account
- Credit partner's capital account
- Debit drawings account
- Debit realization account

**A B C D**

- a. 1 3 2 5
- b. 2 5 4 3
- c. 1 5 2 3
- d. 2 3 4 5

4. Which one of the following is the correct statement? As per the provisions in the Companies Act & the relevant Accounting Standard AS-5, depreciation provision is:
- a. a process of allocation of the depreciable amount of an asset over its estimated useful life
  - b. a process of valuation of the depreciable amount of an asset over its remaining useful life
  - c. a process of writing off the unrealized portion of an asset at the end of its useful life
  - d. simply a statutory provision optional for a business entity
5. Which one of the following is the correct statement? By maintaining the provision for depreciation account, the asset account
- a. is shown after deducting the annual provision made for depreciation
  - b. is maintained at its original cost throughout its lifetime
  - c. is reduced annually by the depreciation amount
  - d. is reproduced at net realizable value
6. Subscriptions received by a non-profit organization during the year 2004 amounted to Rs. 10, 000. The subscriptions outstanding on 31 – 12 – 2003 and 31 – 12 – 2004 were Rs. 2, 000 and Rs. 4, 000 respectively, while the subscriptions received in advance on those dates were Rs. 3, 000 and Rs. 2, 000 respectively. What was the income from subscriptions of the organization for the year 2004?
- a. Rs. 16, 000
  - b. Rs. 15, 000

c. Rs. 13, 000

d. Rs. 9, 000

7. Which one of the following is the correct statement? In the case of non-profit organization, if after the adjustment of incomes and expenses related to specific fund the fund balance is negative, it is transferred to

a. the assets side of the Balance Sheet

b. the liabilities side of the Balance Sheet

c. the credit side of Income and Expenditure Account

d. the debit side of Income and Expenditure Account

8. If proprietary ratio (Shareholders funds/Net assets) is 0.75; and the debentures, current liabilities and current assets are Rs. 45, 000, Rs. 40, 000 and Rs. 85, 000 respectively, what is the amount of Net Block (Fixed assets)?

a. Rs. 1, 35, 000

b. Rs. 1, 40, 000

c. Rs. 1, 80, 000

d. Rs. 1, 00, 000