



## Model Objective Question for Accountancy Commercial and Management Accounts – Part 7

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Q. Classification of assets as current assets and fixed assets is an application of which accounting assumption:

- A. Accounting Emily Assumption
- B. Monetary Unit Assumption
- C. Accounting Period Assumption
- D. Going Concern Assumption

Q. Ravi started business with Rs. 15,000 of which Rs. 4000 were borrowed at 15% p.a. from Shri Akash. The correct journal entry for this transaction will be:

- A. Cash A/c Dr. 15000; Capital A/c Cr. 11000 and Akash Loan A/c Cr. 4000
- B. Cash A/c Dr. 15000; LoanAcCr.44)00mdcashA.cCr. 11000
- C. Cash A/c Dr. 11000; Capital A/c Cr. 11000
- D. Cash A/c Dr. 11000 and Capital A/c Dr 4000: Loan A/c Cr. 15000

Q. Accounting vouchers have got following features:

- A. It is prepared on the basis of evidence of the transaction.
- B. It is an analysis of a transaction
- C. In the case of cash/bank voucher, it is a receipt.
- D. All of the above.

Q. Which oldie following is NOT a feature of Hooks of original entry;

- A. Recording of entries in these books is the first stage
- B. The process of recording entries in these books is called journalising.
- C. These books do not help to know the net effect of various transactions affecting a particular account.
- D. In these books all the accounts are balanced.

Q. Govind's Trial Balance contains the following, formation

Discount allowed Rs. 500

Provision for discount on debtors Rs. 1000

*TRAIL BALANCE SHEET*

The amount to be debited to the P & L account is:

- A. Rs. 1200
- B. Rs. 3200
- C. Rs. 700
- D. Rs. 2200

Q. In a Cash Flow Statement, which of the following would appear as a cash inflow?

- A. Repayment of a Bank loan
- B. Amount received as a result Selling Fixed assets
- C. Depreciation fir the current year
- D. Redemption of debentures by conversion

Q. A cost which does not involve cash outlay, is called:

- A. Historical cost
- B. Imputed cost
- C. Out of pocket cost
- D. Sunk cost

Q. According to schedule 24, Raw Materials and semi/fully finished goods arc valued at

- A. Lower of cost and net-realizable value
- B. Higher of cost and net realizable value
- C. At market cost
- D. At Net realizable value

Q. A Not - For - Profit organisation cannot take up which of the following activities:

- A. Stock Trading
- B. Trading in Goods
- C. Mining

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D. None of these

Q. Which is NOT an underlying assumption whiles preparing the Financial Statement?

A. Accrual basis

B. Consistency

C. Going concern

D. Materiality

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