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Test Booklet No. :

Series

21569

TEST BOOKLET

Paper—II

Part-II (ACCOUNTANCY/STATISTICS/MATHEMATICS)

(Objective Type)



Time Allowed : 2 Hours

Full Marks : 100

Read the following instructions carefully before you begin to answer the questions :

1. The name of the Subject, Roll Number as mentioned in the Admission Certificate, Test Booklet No. and Series are to be written legibly and correctly in the space provided on the Answer-Sheet with Black/Blue ballpoint pen.
2. Answer-Sheet without marking Series as mentioned above in the space provided for in the Answer-Sheet shall not be evaluated.
3. All questions carry equal marks.

The Answer-Sheet should be submitted to the Invigilator.

Directions for giving the answers : Directions for answering questions have already been issued to the respective candidates in the 'Instructions for marking in the OMR Answer-Sheet' along with the Admit Card and Specimen Copy of the OMR Answer-Sheet.

Example :

Suppose the following question is asked :

The capital of Bangladesh is

- (A) Chennai
(B) London
(C) Dhaka
(D) Dhubri

You will have four alternatives in the Answer-Sheet for your response corresponding to each question of the Test Booklet as below :

(A) (B) (C) (D)

In the above illustration, if your chosen response is alternative (C), i.e., Dhaka, then the same should be marked on the Answer-Sheet by blackening the relevant circle with a Black/Blue ballpoint pen only as below :

(A) (B) (C) (D)

The example shown above is the only correct method of answering.

4. Use of eraser, blade, chemical whitener fluid to rectify any response is prohibited.
5. Please ensure that the Test Booklet has the required number of pages (56) immediately after opening the Booklet. **Students can attend questions of any one subject—Accountancy or Statistics or Mathematics.** In case of any discrepancy, please report the same to the Invigilator.
6. No candidate shall be admitted to the Examination Hall/Room 20 minutes after the commencement of the examination.
7. No candidate shall leave the Examination Hall/Room without prior permission of the Supervisor/ Invigilator. No candidate shall be permitted to hand over his/her Answer-Sheet and leave the Examination Hall/Room before expiry of the full time allotted for each paper.
8. No Mobile Phone, Electronic Communication Device, etc., are allowed to be carried inside the Examination Hall/Room by the candidates. Any Mobile Phone, Electronic Communication Device, etc., found in possession of the candidate inside the Examination Hall/Room, even if on off mode, shall be liable for confiscation.
9. No candidate shall have in his/her possession inside the Examination Hall/Room any book, notebook or loose paper, except his/her Admission Certificate and other connected papers permitted by the Commission.
10. Complete silence must be observed in the Examination Hall/Room. No candidate shall copy from the paper of any other candidate, or permit his/her own paper to be copied, or give, or attempt to give, or obtain, or attempt to obtain irregular assistance of any kind.
11. This Test Booklet can be carried with you after answering the questions in the prescribed Answer-Sheet.
12. Noncompliance with any of the above instructions will render a candidate liable to penalty as may be deemed fit.
13. No rough work is to be done on the OMR Answer-Sheet. You can do the rough work on the space provided in the Test Booklet.

N.B. : There will be negative marking @ 0.25 per 1 (one) mark against each wrong answer.

/1202-A

[No. of Questions : 100

SEAL

[Can attend questions of any ONE subject.]

ACCOUNTANCY

1. Fundamental accounting assumptions as per AS-1 are
 - (A) going concern, matching and consistency
 - (B) money measurement, going concern and accrual
 - (C) accounting period, entity and going concern
 - (D) accrual, going concern and consistency
2. On 31.03.2024, the closing stock of XYZ Limited includes 10000 units, the cost price was ₹ 10 per unit. On the same date, the market value of this stock was ₹ 13 per unit. The value of closing stock on 31.03.2024 as per the principle of inventory valuation is
 - (A) ₹ 90,000
 - (B) ₹ 1,30,000
 - (C) ₹ 30,000
 - (D) ₹ 1,00,000
3. Accounting Standard-14 is related to
 - (A) inventory
 - (B) fixed assets
 - (C) amalgamation
 - (D) Cash Flow Statement
4. Fixed assets ₹ 20,000; Profit-Volume Ratio is 25%. Break-even point will be
 - (A) 80000 units
 - (B) 8000 units
 - (C) ₹ 80,000
 - (D) ₹ 8,000
5. A firm has Total Sales of ₹ 4,00,000; Variable Cost of ₹ 2,00,000; Net Profit of ₹ 50,000. Now the P/V Ratio will be
 - (A) 50%
 - (B) 30%
 - (C) 20%
 - (D) 40%
6. The following information is available from a firm :

Opening Stock : ₹ 29,000;
Purchases : ₹ 2,42,000; Sales : ₹ 3,20,000; Gross Profit 25% of Sales

Stock Turnover Ratio will be

 - (A) 8 times
 - (B) 6 times
 - (C) 9 times
 - (D) 10 times
7. If the profit is 19% of sales, then it is
 - (A) 21.65% of cost price
 - (B) 23.46% of cost price
 - (C) 20.35% of cost price
 - (D) 19.55% of cost price

8. One of the following accounting systems assists accounting professionals to examine issues concerning fraudulence, allegations, suspicion in accounting results in business. Identify this system/branch of accounting from the following :

- (A) Human Resource Accounting
- (B) Forensic Accounting
- (C) Management Accounting
- (D) Financial Accounting

9. Match the items of List-I with items of List-II and select the correct answer using the codes given below the Lists :

| <i>List-I</i> | <i>List-II</i> |
|-----------------------------------|-----------------------------------------------|
| a. Receipts and Payments Account | 1. Prepared on accrual basis |
| b. Income and Expenditure Account | 2. Prepared by all types of business entities |
| c. Endowment Fund | 3. Summary of Cash Book |
| d. Cash Book | 4. It is a capital receipt |

Codes :

(A) a b c d
 1 2 4 3

(B) a b c d
 3 1 4 2

(C) a b c d
 4 2 3 1

(D) a b c d
 3 4 1 2

10. A and B are partners in the ratio of 2:1. They admit C for $\frac{1}{4}$ th share of future profits and C contributed ₹3,000 as his share of goodwill. The total value of goodwill of the firm is

- (A) ₹9,000
- (B) ₹12,000
- (C) ₹15,000
- (D) ₹18,000

11. Which of the following methods is **not** used for the valuation of shares/stocks?

- (A) Net asset method
- (B) Earnings per share method
- (C) Annuity method
- (D) Dividend discount model

12. One of the following statements can be used to analyze Balance Sheet and Income Statement both, which helps in identifying trends and underlying causes of financial shifts. Identify the statement from the following :

- (A) Common-size Statement
- (B) Comparative Statement
- (C) Cash Flow Statement
- (D) Funds Flow Statement

13. In audit function, test checking is **not** applicable to

- (A) Sales Book
- (B) Purchases Book
- (C) Bills Book
- (D) Cash Book

14. Outstanding expenses can be verified with the help of

- (A) Credit Note
- (B) Debit Note
- (C) Journal Proper
- (D) Debtors Ledger

15. Goods of ₹ 10,000 are distributed as free sample. In this case, Journal Entry will be

- (A) Drawings Account Dr.
Purchases Account Cr.
- (B) Distribution Account Dr.
Goods Account Cr.
- (C) Advertisement Account Dr.
Purchases Account Cr.
- (D) Donation Account Dr.
Purchases Account Cr.

16. Gross book value of fixed asset is its

- (A) cost less depreciation value
- (B) fair market value
- (C) intrinsic value
- (D) historical cost

17. If a Real Account is credited, it means

- (A) decrease in expense
- (B) increase in income
- (C) increase in asset
- (D) decrease in asset

18. The following information is available :

Value of non-current assets ₹20,000; Value of current assets ₹8,600; Current liabilities ₹3,000 and Non-current liabilities ₹4,000. What is the amount of capital of the firm?

- (A) ₹21,600
- (B) ₹21,400
- (C) ₹21,100
- (D) ₹32,400

19. Retained earnings are part of

- (A) internal liability
- (B) shareholders' fund
- (C) stakeholders' share
- (D) amount for dividend to preference shareholders

20. Liability of a shareholder is limited to

- (A) face value of shares allotted
- (B) total price paid for the shares
- (C) value of shares yet to be called for payment
- (D) market value of the shares allotted

21. Mr. X buys goods on credit from Mr. Y. Goods are found not suitable for use by Mr. X and he returns the goods with an appropriate document. This document is called

- (A) Debit Note
- (B) Credit Note
- (C) Invoice
- (D) Statement of Account

22. An overdraft balance of ₹1,500 has been shown by the Cash Book on 31.03.2024. On examination with the Pass Book it is found that cheques of ₹100, ₹50 and ₹125 have been issued but not presented in the bank for payment. Additionally a cheque of ₹400 received from a customer was deposited on 29.03.2024 which was not credited till 31.03.2024. The balance in Cash Book after reconciliation will be

- (A) ₹1,100
- (B) ₹2,175
- (C) ₹1,625
- (D) ₹1,775

23. Contingent liability of MN Limited is shown in the Balance Sheet as

- (A) common Balance Sheet item
- (B) bottom-line Balance Sheet item
- (C) off-Balance Sheet item
- (D) Balance Sheet item at par

24. In the Cash Flow Statement of IDBI Bank Ltd., interest earned is shown as

- (A) Cash Flow from Operating Activities
- (B) Cash Flow from Investing Activities
- (C) Cash Flow from Financing Activities
- (D) Cash Flow from Open Account Activities

25. Trade Creditors of ₹54,000 is fully settled by issuing shares of ₹50,000. What will be the impact on net worth?

- (A) Increase in net worth by ₹50,000
- (B) Increase in net worth by ₹54,000
- (C) No change in net worth
- (D) Decrease in net worth by ₹4,000

26. As per Schedule III of the Companies Act, 2013, Goods-in-transit shall be disclosed as

- (A) separately under the head 'Goods-in-transit' under Other Current Assets
- (B) disclosure in appropriate Notes on Accounts
- (C) separately under the head 'Goods-in-transit' as an item of Non-current Assets
- (D) under the relevant sub-head of Inventories

27. Deficiency or surplus arising from retrospective recomputation of depreciation should be debited or credited to

- (A) Fixed Asset Account
- (B) Revaluation Account
- (C) General Reserve Account
- (D) Profit and Loss Account

28. By making and selling 9000 units of a product, a company earns a profit of ₹10,000, whereas in case of 7000, there would be a loss of ₹10,000 instead. The number of units to break-even is

- (A) 7500 units
- (B) 8000 units
- (C) 8500 units
- (D) 7750 units

29. When sales are ₹2,00,000, fixed cost is ₹30,000. If P/V ratio is 40%, the amount of profit will be

- (A) ₹50,000
- (B) ₹80,000
- (C) ₹12,000
- (D) ₹62,000

30. Advance received from a customer for supply of goods in the next financial year is recognized in the financial accounting under the accounting principle of

- (A) full disclosure
- (B) conservatism
- (C) materiality
- (D) revenue recognition

31. X, Y, Z are partners sharing profits in the ratio of 3:2:1. Now they agree to share the future profits equally. How will it impact on Z's share?

- (A) Z will gain by $\frac{1}{6}$
- (B) Z will loss by $\frac{1}{6}$
- (C) Z will sacrifice $\frac{1}{12}$
- (D) No impact on Z's share

32. When Trade Receivables are classified as 'Non-current Assets', this shall be further classified considering risk elements into

- (A) 2 sub-classes
- (B) 3 sub-classes
- (C) 4 sub-classes
- (D) 5 sub-classes

33. Revenue Account of an insurance company is also known as

- (A) Policyholders' Account
- (B) Profit and Loss Account
- (C) Shareholders' Account
- (D) Earnings Account

34. Loss of profit insurance is also known as

- (A) standard loss
- (B) abnormal loss
- (C) consequential loss
- (D) operating loss

35. As per Section 2(40) of the Companies Act, 2013, the definition of 'Financial Statement' includes, among others

- (A) Statement of Changes in Equity
- (B) Statement of Changes in Share Capital
- (C) Statement of Changes in Working Capital
- (D) Statement of Funds Flow

36. X Ltd. forfeited 50 shares issued to Y (₹80 called up) for non-payment of allotment money ₹30 per share and 1st call money ₹20 per share. Later on these shares are reissued at ₹90 per share as fully paid-up. The face value of the shares was ₹100 per share. The amount to be transferred to Capital Reserve Account will be

- (A) ₹500
- (B) ₹1,000
- (C) ₹1,500
- (D) ₹2,000

37. Given, Opening Stock ₹12,000; Purchases ₹90,000; Returns Outward ₹4,000 and that Closing Stock is ₹2,000 less than Opening Stock. The Stock Turnover Ratio will be

- (A) 5 times
- (B) 7 times
- (C) 8 times
- (D) 10 times

38. Given, Sales ₹50,000; Variable Cost ₹20,000; Fixed Cost ₹10,000; Capital Employed ₹2,00,000.

What will be Profit-Volume Ratio, if total volume of debt capital is ₹1,00,000?

- (A) 6.67%
- (B) 20.00%
- (C) 50.00%
- (D) 60.00%

39. For a product, Prime Cost is ₹ 20 per unit; Works Overhead is 20% of Prime Cost and Administrative Overhead is 25% of Works Cost. If Profit is 25% on Selling Price, what will be the Selling Price per unit?

- (A) ₹ 20
- (B) ₹ 40
- (C) ₹ 60
- (D) ₹ 80

40. A company issued 10000 equity shares of ₹ 10 each. Net profit earned during the year was ₹ 20,000 after tax and interest. There were no other capitals in the capital structure, except the issued equity share capital. The company declares a dividend of 10%. The EPS will be

- (A) ₹ 1.50
- (B) ₹ 2.00
- (C) ₹ 2.50
- (D) ₹ 3.00

41. Which of the following is the primary measurement of profitability?

- (A) Return on investment
- (B) Earnings per share
- (C) Dividend per share
- (D) Dividend yield

42. For recording purpose, each business transaction is

- (A) dependent on other transactions
- (B) independent of other transactions
- (C) dependent on other transactions depending on the nature of the transaction
- (D) Except revenue transactions, all are independent

43. Which of the following aspects is related to DuPont Triangle Analysis?

- (A) Liquidity
- (B) Solvency
- (C) Profitability
- (D) Leverage

44. Consider the following ratios :

1. Inventory Velocity
2. Receivables Turnover
3. Assets Turnover

Which of the above ratios reflect operating efficiency of the firm?

- (A) Only 1 and 2
- (B) Only 2 and 3
- (C) Only 1 and 3
- (D) 1, 2 and 3

45. Goodwill of a business entity is either internally generated or purchased. When should goodwill be recognized in financial statement?

(A) Only purchased goodwill should be recognised

(B) Only internally generated goodwill should be recognised

(C) Both types of goodwill should be recognised

(D) Only a limited company can recognise internally generated goodwill

46. Shares bought back shall be extinguished and physically destroyed within a certain period of completion of buyback process. What is that certain period?

(A) Within 5 days

(B) Within 7 days

(C) Within 15 days

(D) Within 30 days

47. The objective of making provision for depreciation in the books of accounts is

(A) to charge the cost of fixed asset used against profits

(B) to show the current market price as the value of fixed asset

(C) to replace the asset

(D) to make provision for repairs

48. 'Bill discounted but not matured' is a

(A) current liability

(B) non-current liability

(C) third-party liability

(D) contingent liability

49. Under hire-purchase system, the cost of goods sold is transferred to

(A) Sales Account

(B) Vendor's Account

(C) Hire-purchase Trading Account

(D) Profit and Loss Account

50. Accounting principles are generally based on

- (A) subjectivity
- (B) practicability
- (C) convenience to recording
- (D) profitability of the entity

51. The system where each branch is treated as a debtor in the books of the head office is

- (A) synthetic system
- (B) stock and debtors system
- (C) departmental branch system
- (D) credit sale system

52. Discount allowed on reissue of forfeited shares is debited to

- (A) Securities Discount Account
- (B) Share Capital Account
- (C) Share Forfeiture Account
- (D) Profit and Loss Account

53. Which of the following errors can be disclosed by the Trial Balance?

- (A) Error of Omission
- (B) Error of Principle
- (C) Compensating Error
- (D) Omission to post in one of the Ledgers

54. Received ₹ 5,000 from Mr. X but the accountant credited his account by ₹ 50,000.

This error is called

- (A) Judgemental Error
- (B) Compensating Error
- (C) Error of Principle
- (D) Error of Commission

55. In case of instalment system of purchase, total interest payable by the buyer is

- (A) debited to Interest Account
- (B) credited to Interest Account
- (C) credited to Interest Suspense Account
- (D) debited to Interest Suspense Account

56. Outstanding liability for rent is

- (A) a Real Account
- (B) a Nominal Account
- (C) a Personal Account
- (D) Both Nominal and Personal Account

57. The Accounting Standard on 'property, plant and equipment' is described under

- (A) AS-9
- (B) AS-10
- (C) AS-11
- (D) AS-12

58. The book value of assets which are shown in the Balance Sheet of a firm is known as

- (A) going-concern value
- (B) realisable value
- (C) market value
- (D) intrinsic value

59. The accounting principle applied to record the use of cash from the business for personal use, is called

- (A) cost concept
- (B) substance over legal form
- (C) entity concept
- (D) prudence

60. Matching Principle of Accounting is concerned with

- (A) Income Statement
- (B) Balance Sheet
- (C) Trial Balance
- (D) Ledger Accounts

61. Which of the following items is included in the definition of inventory as per AS-2?

- (A) Living animals of a trader who purchases and sales horses
- (B) Loose tools of a factory
- (C) Apple of a fruit dealer
- (D) Paddy of a paddy dealer

62. Of the total Trade Creditors of ₹31,200, ₹19,900 is settled at a discount of 10%. The balance in Trade Creditors Account is

(A) ₹17,910

(B) ₹8,180

(C) ₹13,290

(D) ₹11,300

63. Rent Pre-paid Account is a

(A) Nominal Account

(B) Real Account

(C) Personal Account

(D) Contingent Account

64. Income and Expenditure Account is a/an

(A) Asset Account

(B) Real Account

(C) Personal Account

(D) Nominal Account

65. Proposed Dividend of a company is shown in the financial statement as

(A) Current Liability

(B) Short-term Provision in Liability side of Balance Sheet

(C) Contingent Liability in the foot-notes in Notes on Accounts

(D) Other Current Liability

66. Capital of a sole proprietor is equal to

(A) owner's equity

(B) total fund of the business

(C) stakeholder's equity

(D) total assets

67. Subscription received by a club in advance is

(A) an income

(B) an assured income

(C) an asset

(D) a liability

68. Which of the following may be the effect of 'not providing for depreciation'?

- (A) Net worth will be overstated
- (B) Profit will be understated
- (C) Cost of production will be overstated
- (D) Liabilities will be overstated

69. 'Imprest system of cash' is used in relation to

- (A) Purchases Book
- (B) Petty Cash Book
- (C) Cash Book
- (D) Sales Book

70. The subsidiary voucher produced in the absence of primary voucher is called

- (A) general voucher
- (B) collateral voucher
- (C) special voucher
- (D) counterfoil voucher

71. To 'Debit', a Liability Account results in

- (A) decrease in net worth
- (B) increase in net worth
- (C) increase in outstanding obligations
- (D) decrease in outstanding obligations

72. In which of the following cases the principle of prudence is applied?

- (A) While issuing bonus share
- (B) While making provision for doubtful debts
- (C) In providing for depreciation
- (D) In providing for tax provision

73. Mr. X had a capital of ₹1,00,000 in the beginning of the financial year. At the end of the year, he had total assets of ₹1,50,000 and total liabilities of ₹70,000. During the year, he had withdrawn ₹30,000 while he introduced fresh capital ₹25,000. His net profit/loss of the year was

- (A) ₹20,000 profit
- (B) ₹55,000 loss
- (C) ₹30,000 loss
- (D) ₹25,000 profit

74. Rights shares are issued for subscription by

- (A) company's employees only
- (B) company's directors only
- (C) existing shareholders only
- (D) existing debenture holders only

75. You are given the following items :

1. Bank balance in Current Account
2. Inventories
3. Trade Debtors
4. Cash equivalent

Which of the following arrangements of these items in the order of liquidity is correct?

- (A) 4, 1, 2, 3
- (B) 1, 3, 4, 2
- (C) 1, 4, 3, 2
- (D) 3, 1, 2, 4

76. Short workings, in the context of Royalty Account, is equal to

- (A) minimum rent minus actual royalty
- (B) actual royalty minus minimum rent
- (C) minimum rent minus amount paid to the landlord
- (D) actual royalty minus operating expenses

77. Which of the following items may have either 'Debit' or 'Credit' balance?

- (A) Cash
- (B) Bank
- (C) Investment
- (D) Stock

78. Legacies received by a club is treated as

- (A) revenue income, shown in the Profit and Loss Account
- (B) revenue income, shown in the Balance Sheet
- (C) extra/miscellaneous income, shown in the Profit and Loss Account
- (D) capital income, shown in the Balance Sheet

79. On 31.12.2023, a firm was dissolved and assets realised ₹40,000 (book value ₹70,000). Liabilities were settled @ 60 p.c. against ₹50,000. Realisation expenses were ₹1,500. Loss on realisation was

- (A) ₹31,500
- (B) ₹30,000
- (C) ₹20,000
- (D) ₹11,500

80. Test of objectivity and verifiability is satisfied by valuing inventory at

- (A) historical cost
- (B) net realisable value
- (C) current replacement value
- (D) market price or cost price whichever is less

81. By the amount of loss of stock by fire

- (A) Trading Account is debited
- (B) Profit and Loss Account is debited
- (C) Trading Account is credited
- (D) Profit and Loss Suspense Account is credited

82. As per Garner vs. Murray case decision, the deficiency in Capital Account of the insolvent partner is shared by the solvent partner

- (A) in their profit-sharing ratio
- (B) in the ratio of their last agreed capital balances
- (C) equally
- (D) in their sacrificing ratio

83. Unpaid dividend should be shown in the Balance Sheet of a company under the heading

- (A) reserve and surplus
- (B) capital profit
- (C) current liabilities
- (D) provisions for dividend

84. If capital expenditure is treated as revenue expenditure, it will result in

- (A) Secret Reserve
- (B) Revenue Reserve
- (C) Reserve Capital
- (D) Capital Reserve

85. Debit balance in Nominal Account shows

- (A) expenses
- (B) gains
- (C) assets
- (D) liabilities

86. The accounting treatment of 'octroi duty' is

- (A) debited to Profit and Loss Account
- (B) credited to Profit and Loss Account
- (C) debited to Trading Account
- (D) credited to Trading Account

87. Stock of stationery as on 1.1.2023 is ₹500. Outstanding creditors for stationery on 1.1.2023 is ₹400. Amount paid for stationery during the year 2023 is ₹1,000. On 31.12.2023, stock of stationery is ₹100 and creditors for stationery is ₹200. The amount of stationery to be posted in the Income and Expenditure Account will be

- (A) ₹1,400
- (B) ₹1,300
- (C) ₹1,200
- (D) ₹1,100

88. Securities premium **cannot** be applied for
- (A) paying dividend
 - (B) issuing bonus share
 - (C) writing off preliminary expenses
 - (D) writing off discount on issue of debentures
89. Consider the following information supplied by a company :
- Face value of one share—₹100
- Issue price ₹150 per share
- Present market price ₹200 per share
- Dividend declared 20%
- The amount of dividend per share will be
- (A) ₹40
 - (B) ₹30
 - (C) ₹20
 - (D) ₹10
90. Intrinsic value of share can be determined by
- (A) yield method
 - (B) net asset method
 - (C) fair value method
 - (D) stock exchange quotation
91. The difference between the net hire-purchase price and net cash price is termed as
- (A) instalment
 - (B) down payment
 - (C) royalty
 - (D) hire-purchase charges
92. In internal reconstruction of company
- (A) no company goes into liquidation
 - (B) only one company goes into liquidation
 - (C) one or more companies go into liquidation
 - (D) two or more companies go into liquidation to form a new company
93. Examine the following statements and select the correct answer using the options given below :
1. Furniture purchased for resale to prospective customer is a capital expenditure.
 2. Outstanding salary is a non-Personal Account.
 3. Accrued interest is a non-cash liability.
- (A) Only 1 is correct
 - (B) 1 and 2 are correct, 3 is incorrect
 - (C) All statements are correct
 - (D) All statements are incorrect
94. In a partnership firm, sacrificing ratio is calculated when
- (A) the partnership firm is dissolved
 - (B) one new partner is admitted
 - (C) one of many partners retires
 - (D) one of many partners becomes insolvent

95. In hire-purchase system, cash price plus interest is known as

- (A) book value of asset
- (B) capital value of asset
- (C) hire-purchase price of asset
- (D) hire-purchase charges

96. If debentures of ₹3,25,000 are issued as consideration for purchase of an asset worth ₹3,50,000 (book value to be recorded), the balance of ₹25,000 will be credited to

- (A) General Reserve
- (B) Capital Reserve
- (C) Reserve Capital
- (D) Goodwill

97. The accountant conceives the Balance Sheet as an equation. Identify the equation.

- (A) What I owe+What I own=My capital
- (B) What I owe+My capital=What I own
- (C) What I own+My capital=What I owe
- (D) What I owe=My capital

98. Conceptual framework of account implies

- (A) principles for the preparation of accounting information
- (B) planning and organizing books of accounts
- (C) making entries in the books of accounts
- (D) code of conduct for accounting professionals

99. The practice of appending notes regarding the financial reports and statements is in pursuant to

- (A) principle of consistency
- (B) principle of conservatism
- (C) principle of materiality
- (D) principle of disclosure

100. ₹2,000 spent on replacement of worn-out part of a machine will be charged to

- (A) revenue expenditure
- (B) capital expenditure
- (C) deferred revenue expenditure
- (D) machine account as deduction from machine value