***GOVERNMENT COLLEGE FOR WOMEN (A), KUMBAKONAM***

***DEPARTMENT OF COMMERCE***

***MCQ – BUSINESS ACCOUNTING –U21C0C203***

***I B.COM***

**UNIT - I (BRANCH ACCOUNT AND DEPARTMENTAL ACCOUNTING)**

1. Branch not keeping the full system of accounting is also known as \_\_\_\_.

(a) Foreign branch (b) Dependent branch (c) Independent branch (d) None of the above

**Answer (b) Dependent branch**

2. Branch keeping the full system of accounting is also known as \_\_\_\_.

(a) Independent branch (b) Dependent branch (c) Foreign branch (d) None of the above

**Answer (a) Independent branch**

3. Stock and debtors system is popularly known as \_\_\_\_.

(a) Foreign branch method (b) Analytical method (c) Synthetic method (d) Analytical method

**Answer (d) Analytical method**

4. Branch debtor system is otherwise known as \_\_\_\_.

(a) Synthetic methods

(b) Stock and debtor methods

(c) Foreign branch methods

(d) Analytical methods

**Answer (a) Synthetic methods**

5. Branch account is prepared to ascertain \_\_\_\_.

(a) Profit and loss of the branch

(b) Financial statement of the business

(c) Assets and liability of the head office

(d) None of the above

**Answer (a) Profit and loss of the branch**

6. The system in which profit and loss made by the branch is determined by preparing branch trading and profit & loss account at cost price is \_\_\_\_.

(a) Synthetic methods

(b) Stock and debtor methods

(c) Final account methods

(d) Analytical methods

**Answer (c) Final account methods**

7. The account prepared for the ascertaining the amount of gross profit earned by the branch under stock and debtor system is \_\_\_\_.

(a) Branch adjustment account

(b) Branch stock account

(c) Goods sent to branch account

(d) Branch debtor account

**Answer (a) Branch adjustment account**

8. The account prepared to adjust the loading included in the value of opening and closing stock at branch is termed as \_\_\_\_.

(a) Branch adjustment account

(b) Stock reserve and surplus account

(c) Goods sent to branch account

(d) Branch debtor account

**Answer (b) Stock reserve and surplus account**

9. The account prepared in the same way as that when goods are invoice at cost, except that all entries are made at invoice price is termed as \_\_\_\_.

(a) Branch adjustment account

(b) Branch stock account (c) Goods sent to branch account ( d) Branch debtor account

**Answer (b) Branch stock account**

10. Which methods is adopted generally in those branches which are small in size

(a) Debtors method (b) Stock and debtor methods (c) Foreign branch methods (d) Analytical methods

**Answer (a) Debtors method**

11. In which methods goods are sent by the head office to the branch at invoice price

a) Invoice price method (b) Debtors method (c) Stock and debtor methods ( d) Foreign branch methods

**Answer ( a) Invoice price method**

12. Which account is prepared when branch sells goods on credit

(a) Branch adjustment account (b) Branch debtors account (c) Goods sent to branch account (d) Branch debtor account

**Answer (b) Branch debtors account**

13. Which books is prepared to maintaining the small expenses like carriage postage, entertainment etc.

(a) Management books (b) Petty cash book (c) Accounting books ( d) None of the above

**Answer (b) Petty cash book**

14. The goods sent by the head office may be either at ........ or cost plus profit

(a) Cost price (b) Selling price (c) Market price ( d) Invoice price

**Answer (a) Cost price**

1 5. Which account is prepared for recording all cash transaction relating to the branch?

(a) Goods sent to branch account (b) Branch debtor account (c) Branch cash account (d) None of the above

**Answer (c) Branch cash account**

16. under branch account, debtors system cash sales is shown in the

A. debit B. credit C. asset D. none

**ANSWER: D**

17. All branch expenses such as rent, salary, are paid by the head office in case of \_\_

A. independent branch. B. local branch. C. local branch. D. dependent branch.

**ANSWER: D**

18. Dependent branch make \_\_ \_

A. only cash sales. B. only credit sales. C. cash and credit sales. D. installment sales.

**ANSWER: C**

19. Under stock and debtors system the head office opens \_\_ \_

A. branch adjustment account. B. branch debtors account. C. branch creditors account . D. branch cash account.

**ANSWER: A**

20. Under branch accounts debtors system, the depreciation of an asset is \_\_ \_

A. show in debtors account. 8. shown in debit side of branch account. C. not shown in branch account.

D. shown in credit side of branch account.

**ANSWER: C**

21. Under branch accounts debtors system, opening balance of assets are recorded in

A. credit side. 8. debit side. C. first credit and debit side. D. first debit and credit side.

**ANSWER: A**

22. Under branch accounts debtors system, closing balance of assets are recorded in

A. credit side. B. debit side. C. first credit and debit side. D. first debit and credit side.

**ANSWER: A**

23. Under branch accounts debtors system, opening balance of liabilities are recorded in

A. first credit and debit side. B. first debit and credit side. C. credit side. D. debit side.

**ANSWER: C**

24. Under branch accounts debtors system, closing balance of liabilities are recorded in

A. first credit and debit side. 8. first debit and credit side. C. credit side. D. debit side.

**ANSWER: D**

25. Under branch accounts debtors system, bad debts, discount allowed to debtors is

A. shown in debit side. 8. shown in credit side. C. shown in asset side . D. not shown.

**ANSWER: B**

26. Under branch accounts debtors system, credit sales is –

A. shown in debit side. 8. shown in credit side. C. shown in asset side . D. not shown.

**ANSWER: A**

27. The difference between goods sent by head office and received by the branch is known as

A. goods in transit. B. goods in godown. C. goods in production. D. goods in warehouse.

**ANSWER: A**

28. Under stock and debtors system of branch account, branch adjustment account is opened when goods

sent to branch is at .

A. cost price. B. invoice price. C. market price. D. normal price.

**ANSWER: B**

29. Under stock and debtors system of branch account, the account prepared to record all the transactions

relating to branch debtors first recorded in

A. branch expenses account. B. branch adjustment account. C. branch debtors account. D. branch creditors account.

**ANSWER: C**

30. The profit included in surplus or shortage of stock is transferred to \_\_\_\_\_\_ account

a) Branch stock b) Branch expenses c) Branch adjustment d) Branch P&L

**ANSWER C**

**DEPARTMENTAL ACCOUNT**

1. Departments are located in:

a) Same place b) Another city c) Outside state d) Foreign country

**Answer : A**

2. When the accounts of all departments are maintained together, in columnar books form, it is known as:

a) Unitary method b) Independent form c) Single entry d) Columnar form

**Answer : D**

3. In departmental accounting, where separate books are kept for each Department, it is commonly referred to as:

a) Independent accounting b) Columnar accounting c) Consolidated accounting d) Single entry system

**Answer : A**

4. Sales are the basis of apportionment in the case of:

a) Travelling salesman's commission b) Freight outwards c) After sales service d) All of the above

**Answer : D**

5. Find the Loading which is 20% of the invoice price of goods if the cost price of goods is 40,000:

a) 4,000 b) 6,000 c) 10,000 (40,000 20/80) d) 12,000

**Answer : C**

6. If the Invoice price of closing stock is Rs3, 60,000 what amount should be transferred to Stock Reserve given Loading is 20% of Invoice price:

1. 60,000 (3, 60,000 20/120) b) 1,20,000 c) 40,000d) 10,000

**Answer : A**

7. Departmental Accounting facilitates:

a) Comparison of trading results b) Intelligent planning and control c)Evaluating departmental performance d) All of the above

**Answer : D**

8. Expenses which cannot be reasonably allocated to any particular department are taken in

a) Debtors account b) Creditors book c) Balance sheet d) General Profit and Loss Account

**Answer : D**

9. Expenses which cannot be apportioned to department must be shown in the \_\_

A. balance sheet. B. trading account. C. P & L account. D. P & L Appropriation account.

**ANSWER: C**

10. When goods are transferred from one department to other department, they are called ---

A. inter-departmental transfers. B. outer-departmental transfers. C. not a transfer. D. regular transfer.

**ANSWER: A**

11. When goods are transferred from one department to other, the department transferring the goods should be \_\_\_ \_

A. debited. B. credited. C. added. D. subtracted .

**ANSWER: B**

12. When goods are transferred from one department to other, the department transferring the goods should be credited and department receiving the goods should be –

A. debited. B. credited. C. added. D. subtracted.

**ANSWER: A**

13. In departmental accounts expenses like director fees, interest is transferred to \_\_

A. balance sheet. B. trading account. C. general P & L account . D. P & L Appropriation account.

**ANSWER: C**

14. The departmental accounting enables a business firm to maximize

A. profit. B. losses. C. cash. D. assets.

**ANSWER: A**

15. Selling expenses should be divided among the different department on the basis of

A . light points B. HP of machine C. sales ratio D. floor area

**ANSWER:C**

16. Rent and rates should be divided among the different departments on the basis of

A. light points B.HP of machines C. sales ratio D. floor area

**ANSWER: D**

17. Fire insurance and repairs on assets should be divided among the different departments on the basis of

A. light points B. HP of machines C. value of each assets D. floor area

**ANSWER:C**

18. Advertisement expenses is apportioned on the basis of

A. purchase basis B. turnover basis C. both A and B D. none of these

**Answer: B**

19.Which expenses are allocated on basis of area occupied by department?

A. rent B. rates C.Taxes D. all of the above

**Answer: D**

20. carriage inwards expenses allocate d on the basis of

A. Sales basis B. purchase basis C. area occupied basis D. none of these

**Answer:B**

21. department accounts are prepared to ascertained

A.storage efficiency B. workers efficiency C. either A or B D. Departmental efficiency

**Answer: D**

22. Where separate books are kept for each department, it is commonly known to as

A. Independent accounting B.Columnar accounting C. Both A and B D. none of these

**Answer: A**

23. Canteen exepenses allocated on the basis of

A. Sales B. Puechase C. no of workers D. none of these

**Answer; C**

24. Which is the type of department?

A. independent department B dependent department C. neither A nor B D. both A and B

**Answer D**

25. travelling expenses allocated on the basis of

A. Purchase basis B. Area occupied Basis C. Turnover basis D. none of these.

**Answer: C**

26. Departmental accounting enables a business to maximize

A. Profit B. Liabilities C. Assets D. none of these

**Answer: A**

27. As per departmental account expenses like directors fees, interest is transferred to

A. Balance sheet B. General profit and loss a/c c. Trading account D.none of the above

**Answer: B**

28. When goods are transferred from one department to other department, it is known as

A. outer departmental purchase B. outer departmental sale C. inter departmental transfer D. None

**Answer: C**

 29. Departmental accounting is kept for

A. to know the financial position of each and every department separately B. calculate commission of the managers department wise C. evaluate performance, planning, control D. all of these

**Answer: D**

30. Discount allowed , freight outward and sales manager’s salary is directly charged to each department on the basis of

A. sales B. area C. light points D. none of these

**Answer: A**

**UNIT II (HIRE PURCHASE)**

1. An agreement of hiring with option to buy is \_\_\_\_\_\_\_\_\_\_\_\_

A. installment system. B. credit system. **C. hire purchase system**. D. cash system.

2.Under which system, ownership is transferred on payment of final installment?

A. Installment system. B. Credit system. C. **Hire purchase system**. D. Cash system.

3. Under which system ownership is transferred on signing of the agreement?

A. **Installment system**. B. Credit system. C. Hire purchase system. D. Cash system.

4. Under hire purchase system the buyer is called \_\_\_\_\_\_\_\_\_.

A. buyer. B. **hirer.** C. hire vendor. D. debtor.

5. Under hire purchase system the seller is called \_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. **C. hire vendor**. D. debtor.

6. Under hire purchase system the relationship of hirer and hire vendor is \_\_\_\_\_\_.

A. buyer and seller. B. **bailor and bailee.** C. pawner and pawnee. D. debtor and creditor.

7. Under installment system the relationship between the buyer and seller is that of a \_\_\_\_\_\_\_\_\_.

A. buyer and seller. B. bailor and bailee. C. pawner and pawnee**. D. debtor and creditor.**

8. In case of transfer of assets the cost of assets in the book of transferee includes amount paid to the hire purchaser and cash price of the remaining installment \_\_\_\_\_\_\_\_\_\_\_\_\_

a .yes **b true** c false d no

9. Under installment system the risk of loss is borne by \_\_\_\_\_\_\_\_.

**A. buyer**. B. hirer. C. hire vendor. D. debtor.

10. Under hire purchase system who has the right of sell \_\_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. C. **hire vendor.** D. debtor.

11. Under hire purchase system, if installment is not paid the hire vendor has right to \_\_\_\_\_\_\_\_\_\_\_.

A. sell the goods. B. **repossession of goods.** C. repair the goods. D. purchase the goods.

12. Under hire purchase system, the agreement can be \_\_\_\_\_\_\_\_\_.

A. renewed. B. registered. **C. terminated**. D. endorsed.

13. Hire purchase system is governed by \_\_\_\_\_\_\_\_\_\_\_.

**A. Hire Purchase Act 1972.** B. Hire Purchase Act 1973.

C. Hire Purchase Act 1974. D. Hire Purchase Act 1975.

14. Installment system is governed by \_\_\_\_\_\_\_\_\_\_.

A. Hire Purchase Act. **B. Sale of Goods Act.** C. Installment Act. D. Properties Registration Act.

15. Under hire purchase system, the retail price of the articles is called \_\_\_\_\_\_\_\_.

A. MRP. B. wholesale price. **C. retail price**. D. cash price.

16. The hirer/vendee has a right to the terminate the agreement at any time before the property passes to him\_\_\_\_\_

 a . false **b. true** c . yes d . no

17. The advance amount under hire purchase system is called \_\_\_\_\_\_\_\_\_\_.

A. cash price. B. retail price. C. interest. **D. down payment.**

18. Assets are recorded at cash price in the books of vendee\_\_\_\_\_\_\_\_\_\_

a. false b . none of these **c . true** d . any of these

19. Under hire purchase system, interest is calculated on \_\_\_\_\_\_\_.

A. cash price. B. hire purchase price. C. MRP**. D. outstanding balance.**

20. If the hire purchaser fails to make payment of any installment, it is called \_\_\_\_\_\_\_.

**A. default**. B. repossession. C. sale. D. purchase.

21. If the hire vendor may take away all the goods on which there is default of installment it is called\_\_\_\_\_\_\_\_\_\_\_\_.

A. repossession . B. partial repossession**. C. complete repossession.** D. purchase.

22. In interest suspense method total interest is debited at the time of passing entry for purchase of assets\_\_\_\_\_\_

a. false **b. true** c. I agree d. I disagree

23. In the books of hirer, for payment of down payment, hire vendor account will be \_\_\_\_\_\_\_.

**A. debited .** B. credited. C. rectified. D. reversed.

24. In the books of hirer, for payment of installment hire vendor account will be \_\_\_\_\_\_\_\_\_\_\_.

**A. rectified**. B. credited. C. debited. D. reversed.

25. In the books of hirer, for interest due at the end of the year hire vendor account will be \_\_\_\_\_\_\_.

A. debited. **B. credited**. C. rectified. D. reversed.

26. . There are two parties in a contract of hire purchase-vendor ( seller) and vendee (hirer/purchaser)\_\_\_\_\_

**a. true** b . yes c. false d. no

27. on the balance sheet of the company, the value of asset bought through hire purchase will appear as \_\_\_\_\_\_\_\_\_\_\_\_

**a. cost less depreciation to date less balance in hire vendor’s account** b. cost less amounts on hire purchase

c. cost less depreciation to date less amount owing on hire purchase d. cost less depreciation to date

28. In the books of hirer, when the asset is repossessed, asset account will be \_\_\_\_\_\_.

A. debited. **B. credited.** C. rectified. D. reversed.

29. In the books of hire vendor, which account will be debited for hire sales \_\_\_\_\_\_\_.

A. buyer. **B. hirer**. C. hire vendor. D. debtor.

30.Installment system is governed by \_\_\_\_\_\_\_\_\_\_\_

a.hire purchase act **b. sale of goods act**. c. installment ac t d. properties registration act

31.Under hire purchase system, the agree can be \_\_\_\_\_\_\_ anytime

a. renewed b. registered **c. terminated** d. endorsed

32. When an asset is acquired on hire purchase system, the asset account is debited with \_ \_\_\_\_\_\_ of the assets in the books of the hire purchase.

a. hire purchase price **b. cash price** c. installment price d. none of these

33. Each installment is treated as hire charge till the last installment is paid\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 a . false **b. true** c . yes d . no

34.the depreciation on an asset purchased through hire purchase should be\_\_\_\_\_\_\_\_\_\_\_

a. should be straight line only **b. based on the cost price of the asset only**

c. based on the total cost including interest d. no depreciation should be provide until the final payment is made

35. Ownership of goods under hire purchase agreement is transferred at the time \_\_\_\_\_\_\_\_\_

a. Payment of down payment b. payment of first installment

c. **Full and final payment of installment**  d**.** none of these

36. Under hire purchase system, each installment is treated as \_\_\_\_\_\_\_\_\_\_.

A. interest. B. cash price. **C. hire charges.** D. advance.

37. Hire sales is transferred to trading account at the end of the accounting year\_\_\_\_\_\_\_\_\_

a . no b. yes **c true** d. false

38. Under hire purchase system, the risk of loss is borne by \_\_\_\_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. C. debtor. **D. hire vendor.**

39. In the books of Hirer, the interest and depreciation account will be transferred to \_\_\_\_\_\_.

A. Trading account. B**. P & L account.** C. P & L appropriation account. D. Balance sheet.

40. Cash price plus interest is \_\_\_\_\_\_\_\_\_.

A. installment price. **B. hire purchase price**. C. maximum retail price. D. retail price.

32. In cash price method of account total interest is debited at the time of passing entry for purchase of assets\_\_\_\_\_\_

**a . false** b . true c. I agree d . I disagree

41. The hire vendor takes away only a portion of the goods on which there is default of Installments it is

called \_\_\_\_\_\_\_\_\_.

A. repossession . B. **partial repossession**. C. complete repossession. D. purchase

42. Total interest is apportioned from the different installment on the basis of amount due to different installment

a . false **b. true** c. none of these d . any of these

43. Under which system, ownership is transferred on payment of final installment?

A. Installment system. B. Credit system. C. **Hire purchase system**. D. Cash system.

44. In the books of hirer, when the asset is repossessed hire vendor account will be \_\_\_\_\_\_.

**A. debited**. B. credited. C. rectified. D. reversed.

45. Under hire purchase system, the risk of loss is borne by \_\_\_\_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. C. debtor. **D. hire vendor**

46. An agreement of hiring with option to buy is \_\_\_\_\_\_\_\_\_\_\_\_

A. installment system. B. credit system. C. **hire purchase system**. D. cash system.

47. Under which system ownership is transferred on signing of the agreement?

A**. Installment system**. B. Credit system. C. Hire purchase system. D. Cash system.

48. Under hire purchase system the buyer is called \_\_\_\_\_\_\_\_\_.

A. buyer. B**. hirer**. C. hire vendor. D. debtor.

49. Under hire purchase system the seller is called \_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. C. **hire vendor**. D. debtor.

50. Under hire purchase system the relationship of hirer and hire vendor is \_\_\_\_\_\_.

A. buyer and seller. B. **bailer and bailee**. C. pawned and paw née. D. debtor and creditor.

51. Under installment system the relationship between the buyer and seller is that of a \_\_\_\_\_\_\_\_\_.

A. buyer and seller. B. bailor and bailee. C. pawner and pawnee. D. **debtor and creditor**.

52. . Interest included in hire purchase price is also known as financing charges\_\_\_\_\_\_\_\_\_\_\_\_\_

 a . false **b . true** c . yes d . no

53. Under installment system the risk of loss is borne by \_\_\_\_\_\_\_\_.

**A. buyer.** B. hirer. C. hire vendor. D. debtor.

54. Under hire purchase system who has the right of sell \_\_\_\_\_\_\_\_\_\_.

A. buyer. B. hirer. C. **hire vendor**. D. debtor.

55. Under hire purchase system, if installment is not paid the hire vendor has right to \_\_\_\_\_\_\_\_\_\_\_.

A. sell the goods. B**. repossession of goods**. C. repair the goods. D. purchase the goods.

56. Under hire purchase system, the agreement can be \_\_\_\_\_\_\_\_\_.

A. renewed. B. registered. C. **terminated**. D. endorsed.

57. Hire purchase system is governed by \_\_\_\_\_\_\_\_\_\_\_.

A**. Hire Purchase Act 1972.** B. Hire Purchase Act 1973. C. Hire Purchase Act 1974. D. Hire Purchase Act 1975.

58. Quality of assets purchased does not give a different between a hire purchase and a normal purchase\_\_\_\_\_\_\_\_\_\_\_\_\_

a . false **b . true** c . none of these d .any of these

59. Installment system is governed by \_\_\_\_\_\_\_\_\_\_.

A. Hire Purchase Act. B. **Sale of Goods Act**. C. Installment Act. D. Properties Registration Act.

60. Under hire purchase system, the retail price of the articles is called \_\_\_\_\_\_\_\_.

A. MRP. B. wholesale price. C. **retail price.** D. cash price.

**UNIT III - (CONSIGNMENTACCOUNTING AND JOINT VENTURE)**

1.Inaccountingconsignment,signifies

Goodsforwardedfromoneplacetoanother Goodsforwardedbyapersontoanother.(C).goodsdispatchedbyitsownertoitsagent (d).goodsdispatchedby its ownertohisagentforthepurposeof'sale.

**Answer: D**

2. Goodssentonconsignmentshouldbedebitedby Consignorto,

(a).consignmentaccount b) goodssentonconsignmentaccount c) consignoraccount

d) Consignee account

**Answer: A**

3. Inthebooksofconsignorthebalanceofthe Consignmentstockwouldbeshown

(a).asanassetInthebalancesheet. b) asliabilityinthebalancesheet c) Onthecreditsideofthetradingaccount d) on the credit side of P& L Account

**Answer: A**

4. Inthebooksofconsignee ondispatchofgoodsbytheconsignortheentrywouldbe:

a) Consignmentaccount[Dr.] &Togoodssentonconsignmentaccount [Cr]

 b) Consignmentaccount [Dr.] &Toconsignoraccount [Cr]

 c). Noentry

 d) Goods sent account dr. & To cash account cr.

 **Answer: C**

 5. Inthebooksofconsigneetheexpensesincurredbyonconsignmentaredebitedto

 a) consignmentaccount b) cashaccount c) consignor’saccount d) consignee account

**Answer**: C

6. Inthebooksofconsigneethesaleofgoodsiscreditedto:

(a).consignor’saccount b) salesaccount c) consignee’saccount d) cash account

**Answer: A**

7. Theconsignoristhe:

 a. Anagent b) CreditorofCconsignee c) DebtorofConsignee d) Principal

 **Answer:D**

 8. Normallossesarearisesdueto?

a) Contingent b) Naturalcauses c) Avoidablefactory d) Unavoidablefactory

 **Answer:D**

 9.TheacceptanceofBillof exchangeinConsigneebookisdebitedto?

Consignmentaccount b)Consignoraccount c)Tradingaccount d) Profitandlossaccount

 **Answer:B**

 10.ThetermofaccountandsalesaccountarebyNature:

a) Equal b) Same c) Different d)Valuable

 **Answer:C**

 11.TheCconsignmentstockappearsinthebalancesheetof

a) Consignee b) Consignor c) bothAandB d) Noneoftheabove

**Answer:B**

12. Whichprocessisfollowedforadjustinginvoicepricetothecostprice?

a) Invoicing b) Costing c) Loading d) Unloading

**Answer:D**

13.Theconsigneeisthe?

a) Agent b)Buyer c) Principal d) Seller

**Answer:A**

14.Accountsaleissubmittedbythe?

a) Principalto his agent b) Debtortothecreditor c) Consignee d) Consignor

**Answer:C**

15. InJournalbooktheconsignmentispreparedby?

a) Consignee b) Consignor c) Customer d) Debtor

**Answer:A**

16. ThenatureofConsigneeaccountis?

a) Real b) Nominal c) Personal d) All oftheabove

**Answer:C**

17. Whereabnormallossesarecreditedinthebookofconsignor?

a) Consigneeaccount b) Tradingaccount c) Tradingprofit andlossaccount d) Consignmentaccount

**Answer:D**

18. Therelationshipbetweenconsignorandconsigneeisthatof:

a) employerandemployee b) businesspartners c) ownerandservant d) principalandagent

**Answer:D**

19. Consigneebecomesconsignor’sdebtorwhenthegoodsare:

a) Shippedbytheconsignor b) receivedbyconsignee c) Soldbyconsignee d) returnedbyconsignee

**Answer:C**

20. If no agreementregarding the responsibility of lossexistsbetweenconsignorand consignee thelossofgoods resultingfromaccident fireortheftetc.wouldbebornebythe

a) bothconsignorandconsigneeintheratioof1:1 b) consignoronly c) consigneeonly d) carrierofgoodsonly

**Answer:B**

21. Accordingtotraditionalclassificationofaccounts, the typeofconsignmentaccountis:

a) Nominal b) real c) personal d) valuation

**Answer:A**

22.Delcrederecommissioniscalculatedon:

a) cashsalesonly b) creditsalesonly c) totalofbothcashandcredit d) Costpriceof goodssold

**Answer:C**

23. Delcrederecommissionisallowedtocover:

a) baddebtloss b) normalloss c) abnormalloss d) bothnormalandabnormalloss

**Answer:A**

24. Whichofthefollowingitemsmaybeshownbyan Accountsales:

a) Typeandquantityofgoodssold b) Perunitsalesprice c) Consignee’scommissionandexpenses

d) AlloftheaboveItemsmaybeshownbyanaccountsales

**Answer:D**

25.Proformainvoiceisadocumentwhichispreparedby:

a) Theconsignorand1ssenttotheconsignee b) theconsigneeandissenttotheconsignor c) Bothconsignorandconsigneeandissenttoeachother d) thecarrierandissenttobothconsignorandconsignee

**Answer:A**

26.Whichofthefollowingisacorrectjournalentrytorecordthelossincurredbyaconsignment:

a) ProfitandlossonconsignmentDr.&ConsignmentCr.

b) ConsignmentDr.&ProfitandlossonconsignmentCr.

c) profitandlossonconsignmentDr.&ConsigneeCr.

d) consigneeDr.&ProfitandlossonconsignmentCr.

**Answer:A**

27. Noentryismadeforthe losstheamountoflossisabsorbedby goodsunits. Thisstatementbelongsto:

a) Abnormalloss b) baddebtsloss c) normalloss d) alloftheabove

**Answer:C**

28. Overridingcommissionisgrantedtoconsigneefor

a) AchievingaspecificsalesvolumeorpromotinganItem inaspecificarea b) sellinggoodsintheordinarycourseofbusiness c) Coveringbaddebtlosses d) Sellingallthegoodsforcashonly

**Answer:A**

29.Consigneeisentitledtoa 10%ordinaryanda5%Delcrederecommission incashsalesareRs.50000andcreditsalesareRs.25000 thetotalcommissionwouldbe:

a)8750 b)5250 c)Rs7100 d)Rs.11250

**Answer:D**

30.Theprofitgeneratedorlossincurredbyaconsignmentisshownbythe

a) goodssentonconsignmentaccount b) consigneeaccount c) Consignmentaccount d) Stockreserveaccount

**Answer:C**

**JOINT VENTURE**

1. Joint venture a/c is a
2. Nominal a/c (b) Real a/c (c)Personal a/c d) suspense account

**Answer: A**

1. Memorandum joint venture a/c is
2. A personal a/c b) A real a/c c) A nominal a/c d) sales account

**Answer: C**

1. The relationship between the co –venture is that of
2. Buyer and seller b) Principal and agent c) Partners d) Debtors and creditors

**Answer: C**

1. A joint venture is
2. Sending goods by one person to another b) Particular partnership c) None of the above d) goods returned

**Answer: B**

1. Capital accounts of the co – ventures are of the nature of
2. Personal a/c b) Nominal a/c c) Real a/c d) capital account

**Answer: A**

1. When goods are purchased for the joint venture, the account to be debited is:
2. Purchases a/c b) Joint venture a/c c) Venture’s Capital a/c d) sales account

**Answer: B**

1. If X takes away goods for personal use under memorandum joint venture method, then the account to be debited will be :
2. Personal a/c b) Purchases a/c c) Joint venture a/c d) goods sent account

**Answer: A**

1. Joint bank account is opened:
2. When no separate books for the venture are maintained b) When separate books for the venture are maintained c) Under no circumstances

**Answer: B**

1. In case of memorandum method when there are three co-ventures, each co- venturer opens in his books for the venture ;
2. One account b) Two account c) Three account

**Answer: B**

1. When a venture recording the transactions bring goods to the joint venture from his own stock, the amount is credited to;
2. Joint venture account (b)Purchases account (c)Capital account

**Answer: B**

1. Joint venture account is in the nature of a
2. Real account b) Personal account c) Nominal account

**Answer: C**

1. A joint venture is
2. A general partnership b) A particular partnership c) Non-limited to a particular venture

**Answer: B**

1. A complete separate set of books of accounts is kept, when the size of the venture is
2. Large b) Small c) Not known

**Answer: A**

1. Joint bank account is
2. Not like a cash book b) Opened specifically for the venture c) Operated by one of the ventures

**Answer: B**

1. Profit or loss on joint venture is shared by the co-ventures
2. Equally (b) In the capital ratio (c) As per the agreement

**Answer: C**

1. When the expenses are incurred on account of joint venture, they are debited to
2. Co- venture’s account (b) expenses account (c) joint venture

**Answer: C**

1. Partners in \_\_\_\_\_ are called co-ventures
2. Registered firm (b) professional firm (c) joint venture business

**Answer: C**

1. Shares of a company taken over by A and B under writing contract, when sold by them will be credited to\_\_\_\_\_ account and the profit/loss on the sale of such shareholding will be transferred to \_\_\_\_\_ account
2. Shareholding/joint venture (b) joint venture/shareholding (c) none

**Answer: A**

1. In the books of X, bills drawn on Y as an advance, will be recorded as
2. Bills receivable a/c Dr.60,000 To advance 60,000
3. Bills receivable a/c Dr.60,000 To Y 60,000
4. Advance a/c Dr.60,000 To Y 60,000

**Answer: B**

1. Under memorandum joint venture method, each party opens only one account which is of the nature of \_\_\_\_\_ account
2. Nominal (b)real (c) personal

**Answer: C**

1. In the books of X goods supplied by Y will be recorded as
2. Joint venture a/c Dr.60,000 To Y’s a/c 60,000
3. Purchase a/c Dr.60,000 To joint venture a/c 60,000
4. Joint venture a/c Dr.60,000 To purchase a/c 60,000

**Answer: A**

1. When unsold stock is taken away by a co - venturer the \_\_\_\_\_ the account is debited
2. Co-venturer’s capital (b) joint stock (c) joint bank a/c

**Answer: A**

1. In a joint venture for purchase of land, between X and Y . When separate book are kept: the entry for contribution by Y of Rs.2,50,000 will be
2. X Dr. 2,50,000 To Y a/c 2,50,000
3. joint venture a/c Dr.2,50,000 To Y a/c 2,50,000
4. Joint bank a/c Dr.2,50,000 To Y a/c 2,50,000

**Answer: C**

1. Goods supplied to agent will be :
2. Debited to joint venture a/c (b) Debited to agent a/c (c)none of these

**Answer: A**

1. A purchased goods costing Rs.1,00,000. B sold the goods for Rs.1,50,000 profit sharing ratio between A and B equal. If same sets of books is maintained, what will be the final remittance?
2. B will remit Rs.1,25,000 to A
3. B will remit Rs.1,50,000 to A
4. A Will remit Rs.1,00,000 to B

**Answer: B**

1. If unsold goods costing 20,000 is taken over by venturer at 15,000, the joint venture a/c will be credited by
2. 20,000` (b)15,000 (c)5,000

**Answer: B**

1. A and B enter into a joint venture sharing profits and losses in the ratio of 2:3 goods purchased by A for 45,000. Expense incurred by A 13,500 and by 5,200. B sold the goods for 85,000. Remaining stock taken over by B as 7,200. The profit of the venture will be
2. 9,800 (b)28,500 (c) 21,300

**Answer: B**

1. A and B purchased a piece of land for Rs.20,000 and sold it for 60,000. Originally A had contributed 12,000 and B 8,000. What will be the profit on venture?
2. 40,000 (b)20,000 (c)60,000

**Answer: A**

1. Profit or loss on joint venture businesses is shared by the co-ventures
2. Equally
3. In the ratio of capital contributed
4. In the agreed upon ratio

**Answer: B**

1. There are two co-venturers – X & Y . X is recording all Joint venture transactions in his books of account . Discount charges on discounting a bill receivable accepted by Y are debited to:
2. X’s account (b) Y’s account (c) joint venture account

**Answer: C**

**UNIT – IV (ROYALTY ACCOUNTS)**

1. What is Royalty?

**A. A payment is made for the use of Assets** B. A ﬁxed payment for the use of Fixed Assets

C. Payment made by owners D. None of the above

2. Mining Royalty is based on

**A. Production** B. Sales C. Purchase D. Both A and B

3. Patent Royalty is based on:

**A. Production** B. Sales C. Purchase D. Both A and B

4. Copyright royalty is based on

**A. Sales** B. Production C. Purchase D. Both A and B

5. Lessor is the …………

**A. Owner** B. User C. None D. Both

6. Lessee is the…………

A. Owner **B. User** C. None D. Both A and B

7. What is minimum Rent?

**A. Payment for use of land which is ﬁxed** B. Payment for the use of land on the basis of output

C. A payment made to owner D. None of the above

8. Minimum Rent is also called:

A. Dead Rent B. Rock Rent C. Fixed rent  **D. All of the above**

9. Short working = …………………- Royalty Payable

**A. Minimum rent** B. Capital C. Cash D. None

10. The minimum rent can be ………………………. proportionately, if there is a stoppage due to strike.

A. Increase **B. Decrease** C. No change D. All the above

11. Royalty Account is ……

**A. Nominal account** B. Real account C. Personal Account D. None of the above

12. Short working is ………….

**A. Excess of minimum rent over the actual royalty** B. Excess of actual royalty over minimum rent

 C. Excess of standard output over Actual output D. None of the above

 13. Surplus is…………….

A. Excess of minimum rent over the actual royalty B**. Excess of actual royalty over minimum rent**

C. Excess of actual royalty over minimum rent D. None of the above

14. When the royalty are less than the minimum rent ?

**A. Royalties account is debited with the actual amount of royalties earned**

B. Royalties account is debited with minimum rent

C. Royalties account is debited with the amount paid to landlord

D. Royalties account is debited with the excess of minimum rent over actual rent

15. Which of the following statement is false?

A. Recoupable short working is current assets **B. Lapsed short working is a real account**

C. Short working is the part of minimum rent not represent by the use of right D. Both A and B

16. Which of the following statement is false

A. If a lessee leases a part of the leased property to another person , it is called sublease

 **B. Royalty receivable account is opened in the books of Lessor**

C. Recoupable short working is a current asset D. None of the above

17. In the books of Lessee , short working recovered amount is debited to

**A. Proﬁt and loss account** B. Minimum rent Account C. Royalty Account D. Landlord’s Account

18. If the royalty is less than minimum rent , the balance of royalty account at the end of the year has to be transfer to

A. Capital reserve account. B. Reserve capita account

**C. Proﬁt and loss account** D. None of the above

19. In case of recoupment of short working, the lessee

A. Debits Short working Account B. Credit Proﬁt and loss account

**C. Credit short working Account** D. None of the above

20. Short working means……

**A. Excess of Minimum rent over royalty**  B. Excess of royalty over minimum rent

C. None of the above D. Excess of payment over minimum rent

21. Royalties are connected with the following types of business

**A. Mining** B. Construction C. Textile D. All of the above

22. Royalty is an agreement between the following person

A. Seller and buyer B. Banker and customer C. Among all partners **D. Lessor and lessee**

23. The objectives of fixing dead rent is ……….

A. Landlord should not get more than a certain amount per year

**B. Landlord must receive a minimum amount in case of low output or sales**

C. Both A and B D. None of the above

24. Short working can be recouped only out of ………………..

**A. Surplus** B. Loss C. Extra Income D. Taxes

25. Calculate units manufactured during the year; Units Sold – 500, Opening stock – 100; Closing stock – 200

A. 500 B. 700 C. 550 **D. 600**

26. Minimum Rent in the ﬁrst year Rs 1,00,000 and will be increased by Rs 10,000 p.a. for three years and then after by 10% per year. What is the amount at the end of 6th year?

A. Rs 100000 **B. Rs 157300** C. Rs 168000 D. Rs 200000

27. Royalty is Rs 64,000, Minimum rent Rs 80,000. Strike is for 3 months with no work done, Minimum rent to be reduced in proportion of time, ﬁnd the amount paid to Landlord.

A. Rs 60000 **B. Rs 80000** C. Rs 64000 D. Rs 100000

28. What is the example of wasting assets

A. Land **B. Mine** C. Stock D. Fixed Assets

29. Who is the person take the property on the lessee agreement?

A. Lessor **B. Lessee** C. Payee D. None of these

30. Royalty is an ………………….to lessee

A. Income **B. Expense** C. Both D. None

31. When the lessor receives payment, credits—

**A. Lessee account** B. Royalty account C. Short workings account. D. all the above

32. The balance of royalty’s receivable account is transferred to —

**A. Proﬁt and loss account** B. Royalties suspense account C. Production account. D. all the above

33. The balance of royalty payable account is transferred to—---

A. Proﬁt and loss account B. Royalties suspense account **C. Production account** D. All the above

34. ………………..account is credited when Lessor receive an amount:

**A. Lessee Account** B. Lessor Account C. Proﬁt and Loss Account D. Income

35. Royalty is Rs 44,000, Minimum rent Rs 50,000. Strike is for 2 months with no work done, Minimum rent to be reduced in proportion of time, find the amount paid to Landlord.

A. Rs 5000 **B. Rs 50000** C. Rs 44000 D. Rs 6000

36. Excess of minimum rent over royalties is called

**A. Short workings** B . Dead rent C . Royalties D . None of these

37. All Royalties and short workings irrecoverable should be transferred to

A . Trading account B . Balance sheet **C. Profit and loss A/C** D. None of these

38. Royalty account is the nature of

A. Real account **B. Nominal account** C. Personal account D. Revenue Account

39. When short workings are to be recovered the account to be debited is

A. Royalty account B. Profit and loss account **C. Landlord account** D. Lessee account

40. Dead rent is also called

A. outstanding rent **B. Minimum rent** C. Prepaid rent D. Future rent

41. The right of lessee to recoup short workings is related to

A. First three years B. Subsequent two years **C. Terms and agreement** D. No specify terms

 42. In case of the right of recoup short workings has expired balanced in the short workings account is transferred to

A. Landlord account B**. Profit and loss account** C. Royalty account D. Trading account

43. Short working account shows\_\_\_\_\_\_\_\_\_ balance in the books of lessee

A. Debit balance B. Credit balance **C. Both a and b** D. None of these

44. Right to recoup short workings means

A. Write of short workings B**. Recover short workings in coming years**

 C. Fix short workings amount D. All the above

45. Who is the person tends the ownership right of the property

**A . Lessor** B. Lessee C. Payer D . none of these

46. What type royalty to be payable on the basis of sale

A. Mining royalty B. Patent royalty **C. Copy right royalty** D. None of these

47. Royalty is an

**A. Agreement** B. Contract C. Mutual action D. None of these

48. What is the another term of minimum rent ?

A. Fixed and copy right **B. Dead rent and fixed rent** C. Patent and copy right D. None of these

49. Recouping of short working arise in

**A. Future** B. Present C. Past D. None of these

50. Mining royalty and patent royalty are payable on the basis of

**A. Output** B. Sales C. Output and sales D. None of these

51. patent right account is a \_\_\_\_\_\_ account

**A. Real** B. Personal C. Nominal D. None of these

52. Royalty earned by the lessee is credited to

A. Sub Lessee account B. Profit and loss account **C. Royalty receivable account**  D. none of these

53. The amount of royalty payable is an expenses to the lessee and is \_\_\_\_ in the book of lessee

A. Credit **B. Debit** C. Deducted D. None of these

54. Payment of monthly rent to landlord is

**A. Economic event** B. Non economic event C. Substantial event D. None of these

55. In which stage short workings arise

**A. Initial stage of production** B. Sales C. Buying of raw materials D. Last stage of production

56. What is the two type recouping of short workings

**A. Restricted and unrestricted** B. Sale and output C. Dead rent and fixed rent D. None of these

57. In Case of sub-lease royalty earned by the lessor is credited to

A. sub-lessee account B. P/L account C. Short working suspense account D**. Royalties receivable account**

58. When royalty amount is more than minimum rent amount paid to the land lord is

**A. Royalty amount** B. Minimum rent amount C. Difference of both D. None of these

59. In the books of Lessor short working is called

A. Royalty payable B. Royalty suspense account C. Royalty payable suspense account

**D. Royalties reserved account**

60. The royalty paid to landlord is royalty or minimum rent which ever is

A. less **b. More** C. Less or more D. None of these

**UNIT-V (FIRE INSURANCE , INSOLVENCY, & STATEMENT OF AFFAIRS)**

1. A business takes a……………insurance policy to cover the claims for loss of stocks and loss of profit.

**A. Fire**  B. Life insurance C. Car insurance D. health insurance

2. The computation of loss by fire is very simple taken when a -------------asset is destroyed

**A. current** B. long-term C. fire D. intangible

3. The value of stock on the date of fire can be ascertained more precisely by preparation of a…………… Account

A. Trading A/c **B. memorandum transaction A/c** C. Balance sheet D. P & L A/c

4. ……………..clause is applicable in case of under insurance

**A. average** B. Normal C. short sales D. indemnity period

5. …………………policy cover loss of gross profit sustained as a consequence of business interruption.

**A. loss of profit**  B. loss of stocks C. average clause D. loss of fixed assets

6. The period for which a policy is taken known ……………….as period

A. indemnity B. short sales **C. long**  D. fixed

7. A ---------- policy covers loss of stock, fixed asset, profit, expenses etc.

A. compact **B. comprehensive** C. horizontal D. operating

8. Insured standing charges are the -------------

**A. fixed charges**  B. horizontal charges C. fluctuating D. current charges

9. ……………… ratio indicates the relationship of gross profit to net sales in terms of percentage.

A. Gross profit B. Net profit C. debtors turnover **D. capital employed**

10. Due to the inclusion of average clause in the fire insurance policy , an insured becomes a……………….in the event of under insurance.

**A. co-insurer** B. provision C. profit D. loss

11. If value of stock on date of fire is 429000, salvage is 1570000 then stock destroyed by fire will ………………

**A. 271500** B. 270000 C. 275000 D. none of the above

12. If value of stock on date of fire is 420000, salvage is 1500000 then stock destroyed by fire will ………………

**A. 250000** B. 255000 C. 253000 D. 251000

13. If Gross profit is 600000, sales is Rs. 15,00,000 then gross profit ratio will be …………..

**A. 40%**  B. 50% C. -40% D. – 50%

14. If Gross profit is 54000 and a sale is Rs. 180000 then gross profit ratio will be ….

**A. 30%** B. 45% C. 15% D. 25%

15. If Gross profit is Rs. 27000 and Sales Rs. 90000 then gross profit will be ……..

**A. 30%**  B. 25% C. 30% D. 30%

16. If Stock is 13500 for 90% then for 100% how much……….

**A. 15000** B. 14000 C. 13500 D. 15500

17. If value of Insurance Policy is 21000, Stock on date of Fire is 24000 and Loss of stock is 20000 then Amount of Claim for stock will be ……………

**A. . 17500** B. 18000 C. 19000 D. 25000

18. If Sales of last year is Rs. 600000 and sales of corresponding current year is Rs.200000 then Short sales will be ……………

A**. 400000** B. 500000 C. 250000 D. 256000

19. If Net Profit is Rs. 200000 Insured Standing Charges is Rs. 160000 Sales of The Previous year is Rs. 1800000 Then Gross Profit Rate will be…………

**A. . 20%**  B. 30% C. 40% D. 45%

20. IF Gross profit rate is 40% and Short Sales is Rs. 250000, then Loss of Profit on Sales will be ………..

**A. Rs. 100000** B. Rs. 50000 C. Rs. 85000 D. None of the above

21) How many Insolvency Act are applicable in India .........?

a) Only One **b) Two** c) Three d) Four

 22) Presidency Town Insolvency Act not applicable to .............

a) Mumbai **b) Delhi** c) Chennai d) Kolkata

23) Provincial Insolvency Act not applicable in ............

**a) Mumbai** b) Agra c) Hyderabad d) Nagpur

24) Statement of Affairs is Statement of ...............

a) Profitability b) Liquidity **c) Assets & Liability** d) None

25) Statement of Affairs is prepared at ............

a) Book Value **b) Net Realizable Value** c) Cost d) Other

26) Balance Sheet is prepared at ..............

 **a) Book Value** b) Net Realizable Value c) Cost d) Other

 27) Which of the following item not included in statement of Affairs ..........?

 a) Fixed Assets b) Investment c) Current Assets **d) Fictitious Assets**

28) Deficiency Account explains ............

 a) Financial Position **b) Causes of Insolvency** c) Other d) None

 29) Which of the following item is preferential under both presidency Town & Provincial Insolvency Act …….?

 a) Salaries to Clerk b) Wages to Worker c) Rent **d) Rates & Taxes**

 30) The Monitory limit of salary per clerk as presidential, under presidency Town Insolvency Act is..........

 a) Rs. 100 b) Rs. 200 **c) Rs. 300** d) Rs. 400

 31) The monitory limit of wages per worker as presidential, under presidency Town Insolvency Act is........

 **a) Rs. 100** b) Rs. 200 c) Rs. 300 d) Rs. 400

 32) The monitory limit for salary & wages per head as presidential, under provincial Insolvency Act is .........

 a) Rs. 10 **b) Rs. 20** c) Rs. 50 d) Rs. 100

 33) Which of the following item is not preferential under provincial Insolvency Act is .........?

 a) Rates & Taxes b) Salary to Clerk c) Wages to Worker **d) Rent to Landlord**

 34) Creditors are basically classified as ...............

 a) Fully Secured – Partly Secured b) Preferential – Non-Preferential **c) Secured – Unsecured**

 d) None

 35) Which of the following creditors have priority but no security .............?

 a) Fully Secured b) Partly Secured **c) Preferential** d) Unsecured

 36) Creditors on personal guarantee is classified as ................

 a) Fully Secured b) Partly Secured c) Preferential **d) Unsecured**

 37) Under Insolvency proceeding which of assets & liabilities are considered ...........

 a) Only Business Assets – Liabilities **b) Both Business & Personal Assets & Liabilities**

c) Only personal Assets & Liabilities d) None

 38) Contingent liabilities are classified as, in statement of affairs under insolvency proceeding .................

 **a) Unsecured Creditors** b) Partly Secured Creditors c) Fully Secured d) Debtors

 39) List “E” of Assets & property in statement of affairs under insolvency proceeding includes ............

 a) All Assets b) Charged Assets **c) Uncharged Assets** d) None

 40) Book debts are classified as, in statement of affairs under insolvency proceeding...............

 a) Short Term – Long Term **b) Good -- Doubtful – Bad**  c) Secured – Unsecured d) Other

 41) Municipal Tax payable on personal House Property is recorded in statement of affairs under insolvency proceeding...............

 a) List “A” b) List “B” c) List “C**” d) List “D”**

 42) If any assets realized nothing it is recorded in ............

 a) List “E” b) List “F” c) List “G**” d) No Where**

 43) Bills of exchange are recorded in statement of affairs is ................

 a) List “A” b) List “E” c) List “F” **d) List “G**”

 44) Bills discounted likely to be dishonor are recorded in statement of affairs .............

 **a) List “A”**  b) List “B” c) List “C” d) List “D”

 45) Preferential creditors are deducted as per contra & transfer to contra side to make payment ........

 **a) Prior to unsecured creditors** b) prior to secured creditors c) Other Reason d) None

 46) The realizable value of revocable gift article is recorded in statement of affairs under insolvency proceeding .............

 a) List “B” – “C” b) List “D” **c) List “E”** d) List “F”

 47) Which of the following item increases deficiency ............?

 a) Trading Profit b) Other Profit c) Interest on Capital **d) Interest on Drawing**

 48) Which of the following item decreases deficiency ............?

 a) Drawing b) Interest on Drawing **c) Interest on Capital** d) Trading Loss

49) The effect of surrendered value life policy .....................

 **a) Decrease in Deficiency** b) Increase in Deficiency c) Other d) None

50) For assessing effective utilization of manpower, the system accounting useful is .............

 **a) Human Resource Accounting** b) Forensic Accounting c) Environmental Accounting d) Inflation Accounting

51) The deficiency shown by deficiency account will be equal to the deficiency revealed by

 a) Liquidator final statement of account b) Liquidator report **c) Statement of affairs**d) None

52) Insolvent Companies Can Be Liquidated

 a) Compulsory **b) Optional** c) Order d) All the Above

53) The company has to submit the statement of affairs to the official liquidator within

**a) 14days** b) 21 days c) 30 days d) 45 days

54) The deficiency shown by deficiency account will be equal to the deficiency revealed by

 a) Liquidator final statement of account b) Liquidator report **c) Statement of affairs**d) None

55) The deficiency shown by deficiency account will be equal to the deficiency revealed by

 a) Liquidator final statement of account b) Liquidator report **c) Statement of affairs**d) None

56) A Liquidator can claim the

 **a) Remuneration** b) Assets c) Dividend d) All the Above

57) Which of the following statements is false?

a) A person eligible to be appointed as a liquidator shall be considered independent if he is eligible to be appointed as an independent director under Section 149 of Companies Act, 2013 if the corporate person is a company.

b) A person eligible to be appointed as a liquidator shall be considered independent if he is not a related party of the corporate person.

**c) A person eligible to be appointed as a liquidator shall be considered independent if he has been an employee or proprietor or partner of a firm of auditors.**

d) A person eligible to be appointed as a liquidator shall be considered independent if he has not been an employee or proprietor or partner of legal firm contributing 10% or more of the gross turnover of such firm.

58. Remuneration charged by an insolvency professional need not to be

A. Transparent B. Reasonable **C. Lowest** D. Disclosed to be stake holders

59. The corporate social responsibility committee must have at least \_\_\_\_\_\_ independent directors

**A. One** B. Two C. 1/3 D. 2/3

60. A limited liability partnership firm shall have at least \_\_\_\_\_ partners

**A. Two** B. Three C. five d. Seven