

MODEL PAPER OF "PRINCIPLES OF ACCOUNTING"

Intermediate Part-II Examination

OBJECTIVE

Time: 30 Minutes

Marks: 20

Q.No.1: Write answers to the questions on the objective answer sheet provided. You have four choices for each objective type question as A,B,C and D. The choice which you think is correct; fill the circle in front of that question Number. Use marker or pen to fill the circles. Cutting or filling two or more circles will result in zero mark in that question. Attempt as many questions as given in objective-type question paper and leave the others blank.

- (i) The capital under single entry system is ascertained by preparing:
 - (A) Cash account
 - (B) statement of affairs
 - (C) Total debtors account
 - (D) Total creditors account
- (ii) In single entry system it is not possible to prepare:
 - (A) Trial balance
 - (B) Trading account
 - (C) Profit and loss account
 - (D) Balance sheet
- (iii) Credit purchase can be ascertained through:
 - (A) Total debtors accounts
 - (B) Total creditors account
 - (C) Statement of affairs
 - (D) Cash account
- (iv) Non-trading concerns prepare:
 - (A) Profit and loss account
 - (B) Income and expenditure account
 - (C) Manufacturing account
 - (D) Trading account
- (v) Income and expenditure account shows:
 - (A) Surplus or deficit
 - (B) Net profit or net loss
 - (C) Capital account
 - (D) Cash in hand
- (vi) Receipt and payment account is:
 - (A) Nominal account
 - (B) Real account
 - (C) Personal account
 - (D) An expense account
- (vii) The relationship between consignor and consignee is that of:
 - (A) Buyer and seller
 - (B) Debtor and creditor
 - (C) Wholesaler and retailer
 - (D) Principal and agent
- (viii) The status of consignor is:
 - (A) An agent
 - (B) A principal
 - (C) A seller
 - (D) A buyer
- (ix) Account sales is prepared by:
 - (A) Consignor
 - (B) Consignee
 - (C) Consignment
 - (D) Principal
- (x) The liability of the shareholders of a public limited company is:
 - (A) Unlimited
 - (B) Limited
 - (C) Compulsory
 - (D) None of these
- (xi) A person who purchases the shares of the company becomes its:
 - (A) Shareholder
 - (B) Debenture holder
 - (C) Underwriter
 - (D) Promoter
- (xii) The maximum number of members in case of public limited company can be:
 - (A) Forty
 - (B) Fifty

- (C) Sixty (D) Unlimited
- (xiii) The charter of the company containing the objectives is called:
(A) Articles of association (B) Prospectus
(C) Memorandum of association (D) None of these
- (xiv) The process of writing off intangible assets is called:
(A) Depreciation (B) Fluctuation
(C) Depletion (D) Amortization
- (xv) Depreciation is:
(A) An income (B) An expense
(C) A loss (D) A liability
- (xvi) Without charging depreciation, the profit will be:
(A) Over-stated (B) Under-stated
(C) Balanced (D) None of these
- (xvii) Partnership is formed under the Act of:
(A) 1984 (B) 1932
(C) 1912 (D) 1962
- (xviii) Goodwill is valued when:
(A) Business is started
(B) Loss is suffered
(C) One year of business is completed
(D) A partner is admitted or retired
- (xix) In case of dissolution, the payment of unrecorded liability is debited to:
(A) Realization account (B) Liability account
(C) Revaluation account (D) Cash account
- (xx) Any asset taken by a partner is debited to:
(A) Realization A/c (B) Revaluation A/c
(C) Partner's capital A/c (D) None of these