

Examrace

Competitive Exams: Commerce MCQs (Practice_Test 4 of 99)

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1. Which one of the following pairs is not correctly matched?

- a. Internal check 襄 Staff of the concern
- b. Internal Audit 襄 Chartered Accountant
- c. Cost Audit 襄 Cost Accountant or Chartered Accountant
- d. Propriety Audit 襄 Comptroller

Auditor General of India

2. Consider the following statements:

- a. Audit working papers enable the auditor to know the weaknesses of the internal check system.
- b. Audit programme assures adherence to the principles of auditing and accounting.
- c. Manipulation of accounts is done by under valuation of assets.
- d. Internal check maximizes the possibilities of errors and frauds.

Which of the above statements are correct?

- a. 1,2 and 3
- b. 2,3 and 4
- c. 1,2 and 4
- d. 1,2, 3 and 4

3. Consider the following duties of the auditor:

- a. He should see that the provisions of Sec. 78 have been complied with:
- b. He should see that the sum available has been utilized in the manner as laid down by the Articles.
- c. He should examine the Prospectus, the

Articles and the Minutes of the

Directors meeting to see whether the issue of shares at a premium is duly authorized or not.

The correct sequence of these duties in case of audit of issue of shares at a premium, is

- a. 1,2, 3
- b. 2,1, 3
- c. 3,1, 2
- d. 3,2 1

4. Consider the following with regard to furniture and fixtures

- a. Valuation with reference to bills and invoices.
- b. Authorization of expenditure and its capitalization.
- c. Adequate provision of depreciation.
- d. Whether furniture is mortgaged or free from any mortgage.

The correct sequence to be adopted by the auditor during the course of analytical review, vouching and examination of document would be

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

5. Match List I with List II and select the correct answer:

List-I	List-II
A. Public limited company	1. One man one vote
B. Partnership firm	2. Can make public issue
C. Cooperative society	3. Restricted membership
D. Private limited company	4. Unlimited liability
	5. Direct supervision

A B C D

a. 5 4 2 3

b. 2 4 1 3

c. 5 3 2 1

d. 2 3 1 4

6. The account of a company shall be audited by the company auditor, or by a person qualified to be appointed as auditor, if the company has to

a. wind up

b. amalgamate

c. finalize branch office accounts

d. declare interim dividend

7. Which one of the following is NOT included under the rights and powers of an Auditor in the Companies Act 1956?

a. Right of access to books of Accounts

b. Right to call for a General Meeting

c. Right to receive notice of and attend the General Meeting

d. Right to make statement at the General

Meeting

8. Consider the following rights:

a. The right of a partner to sue for dissolution of the firm or for accounts thereof.

b. The power of the receiver to realize the properties of an insolvent partner.

c. The right of the firm to sue any partner.

d. The right of a partner to file a suit against the firm for enforcing his rights.

Which of the above rights are NOT affected due to on registration of a partnership firm?

a. 1 and 2

b. 2 and 3

c. 1,2 and 3

- d. 2,3 and 4
9. The most suitable form of business organization for the people of weaker sections is
- partnership firm
 - cooperative society
 - sole-trading business
 - joint stock company
10. Which one of the following is NOT a feature of sole-proprietorship business?
- Undivided risk
 - No government regulation
 - Separate entity of the firm
 - Unlimited liability
11. A partner under his 'Implied Authority' can
- enter into partnership with others on behalf of the firm
 - submit a dispute relating to the business of the firm for arbitration
 - defend any suit filed against the firm
 - withdraw any suit or proceedings filed on behalf of the firm
12. Which one of the following firm is considered to be illegal to do trading business?
- A firm with 11 partners
 - A firm with 18 partners
 - A firm with 20 partners
 - A firm with 22 partners
13. Match list I with List II and select the correct answer

List-I	List-II
<p>A. The Indian Partnership Act</p> <p>B. SEBI</p> <p>C. The Cooperative Societies Act</p> <p>D. Stock exchange</p>	<p>1. listing of company shares</p> <p>2. Members mutual benefit</p> <p>3. Brokers deal with their customers</p> <p>4. Listed companies are supervised</p> <p>5. No compulsory registration:</p>

A B C D

a. 3 2 4 5

b. 5 4 2 1

c. 5 2 4 1

d. 3 4 2 5

14. The fund available with a company after paying all claims including tax and dividend is called
- a. net profit
 - b. net operating profit
 - c. capital profit
 - d. retained earnings
15. The capital of a public limited company can be reduced with the confirmation of the
- a. Registrar of Companies
 - b. Company Law Board
 - c. Securities and Exchange Board of India
 - d. High Court

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