

## Examrace

### Competitive Exams: Commerce MCQs (Practice\_Test 65 of 99)

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1. What is the amount of sales, when Opening stock ₹ 50,000 Purchases ₹ 1,50,000 Wages ₹ 20,000 Closing stock ₹ 40,000 and the Gross profit is  $\frac{1}{7}$  th on sales?
  - a. ₹ 1,37,142
  - b. ₹ 2,00,000
  - c. ₹ 2,10,000
  - d. ₹ 1,86,669
2. If land and property are recorded in the books of accounts at market price and profit on disposal of an item of the same is credited to Profit and Loss Account, which accounting principle is violated?
  - a. Cost principle
  - b. Realization principle
  - c. Matching principle
  - d. Principle of Quality
3. Which one of the following is prescribed by the generally accepted accounting principles?
  - a. Uniformity in accounting practices in all enterprises within a country
  - b. Uniform accounting practices in all enterprises all over the world
  - c. Different accounting practices in different industries
  - d. Different accounting practices in different regions
4. Given: ₹ Opening Capital 10,000 Closing Capital 12,000 New Capital introduced 1,000 What is the profit for the year?
  - a. ₹ 4,000
  - b. ₹ 3,000
  - c. ₹ 2,000
  - d. ₹ 1,000

5. Accounting as an information system in business is looked upon as the process of communication. It consists of the following four steps:
- Communication
  - Recording of data
  - Business activities and transactions
  - Processing of data
6. Match List-I (Accounting Concept) with List-II (Example) and select the correct answer using the code given below the Lists

List-I	List-II
A. Business entity	1. Capital in the liability side of Balance Sheet
B. Dual aspect	2. Balance Sheet as on 31 <sup>st</sup> December, 2004
C. Accounting period	3. Wages paid ₹ 5,000
D. Money measurement	4. Goodwill in Balance Sheet for ₹ 10,000

**A B C D**

- 1 4 2 3
  - 2 3 1 4
  - 1 3 2 4
  - 2 4 1 3
7. Which one of the following contains two frequently discussed cross-sectional techniques of accounting information and their analysis?
- Abridged profit and loss account and balance sheet
  - Cash flow statement and statement of changes in financial position
  - Common size statements and financial ratio analysis
8. Which one of the following is the correct statement? When an auditor finds significant unexplained fluctuations in various financial ratios while performing analytical review procedures, he should normally
- qualify the audit report
  - issue a letter of weaknesses to the management

- c. extend his substantive procedures for detailed verification of transactions and balances
  - d. make other quantitative checks
9. During analytical review, which one of the following is used by an auditor to calculate the Return on Investment (ROI) ?
- a. Net profit before tax and interest/Fixed assets plus current assets
  - b. Net profit before tax and interest/Fixed assets
  - c. Net profit before tax and interest/Working capital
  - d. Net profit before tax and interest/Fixed assets plus working capital
10. Text checking is applied in which of the following audit functions?
- a. Vouching
  - b. Cash verification
  - c. Physical stock verification
  - d. Internal control evaluation
- Select the correct answer using the code given below:
- i. 1 and 2 only
  - ii. 2,3 and 4 only
  - iii. 1,2 and 4 only
  - iv. 1 and 3 only