

Examrace: Downloaded from examrace.com [https://www.examrace.com/]

For solved question bank visit [doorsteptutor.com](https://www.doorsteptutor.com)

[\[https://www.doorsteptutor.com\]](https://www.doorsteptutor.com) and for free video lectures visit [Examrace YouTube Channel \[https://youtube.com/c/Examrace/\]](https://youtube.com/c/Examrace/)

NET, IAS, State-SET (KSET, WBSET, MPSET, etc.), GATE, CUET, Olympiads etc.: Commerce MCQs (Practice_Test 77 of 99)

Get top class preparation for competitive exams right from your home: [get questions, notes, tests, video lectures and more \[https://www.doorsteptutor.com/\]](https://www.doorsteptutor.com/) - for all subjects of your exam.

1. Which one of the following depreciation methods is most suitable for a coal mine?
 - a. Diminishing balance method
 - b. Depletion method
 - c. Fixed installment method
 - d. Sum of years digits method
2. In the case of a sole proprietorship, Assets in Balance Sheet items are conveniently shown in
 - a. order of fixity
 - b. order of liquidity
 - c. alphabetical order
 - d. order of dates of acquisition
3. Match List I (Names of accounts) with List II (Matters with which the accounts are concerned) and select the correct answer:

List-I	List-II
a. Partners current b. Goodwill account c. Partners drawings d. Profit and Loss adjustment account	a. Dissolution of partnership accounts b. Revaluation of assets on the admission of a partner c. Fixed capitals of partners accounts d. Goods taken by partners for private consumption

Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs

(Practice_Test 77 of 99)

D**1324 3142****ABC 1342 3124**

4. A business concern provides the following details:

Cost of goods sold 1,50,000	Sales 2,00,000
Opening stock 60,000	Closing stock 40,000
Debtors 45,000	Creditors 50,000

*Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs
(Practice_Test 77 of 99)*

- The concerns purchases would amount to (in ₹)
 - a. 1,30,000
 - b. 2,20,000
 - c. 2,60,000
 - d. 2,90,000
5. Match List I (transaction) with List II (Entry to be made) and select the correct:

List-I	List-II
<ul style="list-style-type: none"> a. Loss on realisation b. Profit on realization c. Assets sold d. Creditors paid 	<ul style="list-style-type: none"> a. Debits partner's capital A/c b. Credit realization A/c c. Credit partner's capital A/c d. Debit realisation A/c

*Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs
(Practice_Test 77 of 99)*

D**1324 3142****ABC 3124 1342**

6. Which of the following statements are appropriate in respect of partnership accounts?
- a. In the absence of any provision in the partnership agreement to the contrary, partners can charge interest at 6% per annum on loans given by them to the partnership firm.
 - b. An ordinary partnership firm can have not more than 50 partners.

- c. A banking partnership firm can have not more than 10 partnership.
 - d. In the absence of any provision in the partnership agreement to the contrary, profits and losses are shared by the partners in the ratio of their capitals.
 - o Select the correct answer from the codes given below:
 - a. 1 and 2
 - b. 1 and 3
 - c. 2,3 and 4
 - d. 1,3 and 4
- 7. A and B are equal partners in a firm. They submitted C as one-sixth partner who brought in ₹ 60,000 as godown. The new profit sharing ratio is 3: 2: 1. If goodwill of ₹ 60,000 is to be paid to the old partners as per profit sacrificing ratio, B will receive
 - a. ₹ 30,000
 - b. ₹ 60,000
 - c. ₹ 45,000
 - d. Nil
- 8. R, admitted as a new partner for one-fourth share of future profits, fails to bring in cash of ₹ 5,000 to wards goodwill but the existing (old) partners S and T, sharing profits in the ratio of 3: 2, raise the goodwill account at its full value. Therefore the partners will be credited for goodwill as S (₹) T (₹) R (₹)
 - a. 3,000 2,000 Nil
 - b. 9 000 6000 5 000
 - c. 12,000 8,000 Nil
 - d. 2, 250 1,500 1,250
- 9. The following figures (all in ₹) relate to a non trading concern: 1st January, 1995 stock of medicines 5,000 1st January, 1995 outstanding creditors for medicines 3,000 Amount paid for medicines during the years 15,000 Value of medicines spoiled during the year 400 Stock of medicines on 31st December, 1995 3,500 The amount to be debited to Income and Expenditure account would be
 - a. ₹ 15,000
 - b. ₹ 18,500
 - c. ₹ 18,000
 - d. ₹ 13,500
- 10. Which one of the following statements is correct?
 - a. Depreciation is not the process of valuation of asset it is a process of allocation of cost of asset to the period of its economic life
 - b. If the cost of machinery is more than the book value, then depreciation need not be provided

- c.* When the plant and machinery are maintained in good condition, through repairs and renewals, depreciation need not be provided
 - d.* In the absence of any legal provisions, if the auditor finds that provision made for depreciation is inadequate, then he is not required to refer to it in his report
- 11. What is the correct sequence of the following actions required for the preparation of Final Accounts?
 - a.* Preparation of Trial Balance
 - b.* Balancing of Accounts
 - c.* Preparation of Annual Financial Statements
 - d.* Making Adjusting Entries
 - Select the correct answer from the codes given below:
 - a.* 4,2, 1,3
 - b.* 2,4, 3,1
 - c.* 2,1, 4,3
 - d.* 4,2, 3,1
- 12. Consider the following items:
 - a.* Debentures
 - b.* Prepaid rent
 - c.* Accrued interest
 - d.* Bank overdraft
 - Current liabilities would include
 - a.* 2,3 and 4
 - b.* 1,2 and 3
 - c.* 1 and 4
 - d.* 1,2, 3 and 4
- 13. Which of the following items should be entered in the I Receipts and Payments account of a club?
 - a.* Sale of old newspapers
 - b.* Loss on sale of some asset
 - c.* Payments for investment
 - Select the correct answer from the codes given below:
 - a.* 1,2 and 3
 - b.* 1 and 3
 - c.* 1 and 2
 - d.* 2 and 3

14. A cultural club discloses that subscription received during a particular accounting period as per Receipts and Payments account amount to ₹ 57,360. Subscription outstanding (opening and closing) was ₹ 4,800 and ₹ 6,000 respectively. Subscription received in advance (opening balance and closing balance) amounted to ₹ 3,600 and ₹ 2,160 respectively. The amount to be posted to Income and Expenditure account would be
- a. ₹ 57,360
 - b. ₹ 54,000
 - c. ₹ 60,000
 - d. ₹ 63,360
15. Having reissued all forfeited shares, the credit balance remaining in forfeited shares account is transferred to
- a. general reserve
 - b. reserve capital
 - c. capital reserve
 - d. none of the above