

VI Semester B.Com Private Registration

Accounting for Co-operative Societies

1. Co-operative societies using
 - a) Single Entry principle
 - b) **Double entry principle**
 - c) No standard Principles
 - d) Other Principles of accounting

2. All cash and non cash transactions are recorded in:
 - a) **Cash Book / Day Book**
 - b) General Ledger
 - c) Bank Book
 - d) Creditors' Ledger

3. Co-operative societies maintain accounts as per co-operative societies':
 - a) **Rule 29**
 - b) Rule 35
 - c) Rule 15
 - d) None of these

4.Register is maintained for rectifying mistakes committed while entering and recording transactions.
 - a) Suspense account Register D.G Karve
 - b) Register of mistakes
 - c) Liability Register
 - d) **Rectification Register**

5. represents the initial contribution made by a member towards the resources of the society for the purpose of getting the benefits from the society.
 - a) Entrance Fee
 - b) Admission Fee
 - c) **Share Capital**
 - d) Corpus

6. Amount given by bank but a part of which is not repayable is called:
 - a) **Subsidy**
 - b) Grant

- c) Loan
- d) Advance

7. Amount given by the government in which there is no repayment expected is called.....

- a) Grant**
- b) Loan
- c) Advance
- d) Subsidy

8. The trial balance of primary cooperative societies/banks is called:

- a) Receipts and disbursement statement**
- b) Day book
- c) Cash and Bank Book
- d) None of these

9. Arithmetical accuracy can be checked by preparing:.....

- a) Cash Book
- b) Balance sheet
- c) Profit and Loss account
- d) Trial Balance**

10. The surplus of the society is disposed as:

- a) Provision is made for the development of society
- b) Provision is made for Common Reserve
- c) Distributing among members
- d) All the above**

11. Profit & Loss Account is prepared to know the:

- a) Profit
- b) Loss
- c) Profit or Loss**
- d) Risk

12. Who is the administrative head of the co-operative movement in every State?

- a) The registrar**
- b) President
- c) Secretary
- d) General Body

13. The main objective of co-operative audit is:

- a) Detection of errors

- b) Detection of fraud
- c) Ascertaining the Correctness of Accounts
- d) All of the above**

14. In India the co-operative movement was officially launched with the passing of the first all India Act in:

- a) 1979
- b) 1905
- c) 1912
- d) 1904**

15. The book which records the proceeding of the meeting:

- a) Minute Book**
- b) Day book
- c) Register
- d) None of these

16. Co-operative Audit is done by:

- a) Auditors of Cooperative Department**
- b) Chartered Accountant
- c) Third Party Auditor
- d) Members

17. Documentary evidence in support of a transaction is called:

- a) Voucher**
- b) Invoice
- c) Ledger
- d) File

18. Detailed scheme set by auditor for carrying out the audit job is called:

- a) Audit Programme**
- b) Checklist
- c) Audit Note Book
- d) Voucher Book

19. Amount paid by the co operative society to the department for hiring the service of audit personnel in the Department is:

- a) Audit fee**
- b) Audit Cost
- c) Accounting Charges
- d) Levy

20. Audit is the primary responsibility of:
- a) The President
 - b) **The Registrar**
 - c) Secretary
 - d) General Body
21. Audit conducted as per the provisions of the Co-operative Societies' Act and Rules is called:
- a) **Statutory audit**
 - b) Compulsory Audit
 - c) General Audit
 - d) Concurrent Audit
22. is the primary duty of the auditor of the co operative society.
- a) **Physical Verification of cash balance with day book**
 - b) Preparation of Audit Note
 - c) Verification of overdue debts
 - d) Preparation of reconciliation statement
23. is the summarized form of audit note.
- a) Audit Checklist
 - b) Audit programme
 - c) **Audit Certificate**
 - d) Summary of defects
24. It is the amount payable by the society to auditors.
- a) Audit Fee
 - b) **Audit Cost**
 - c) Premium
 - d) Remuneration
25.is the backbone of auditing.
- a) Posting
 - b) **Vouching**
 - c) Verification
 - d) Cancel the voucher
26. an examination of administration or management of the society and is a particular feature of co-operative audit.
- a) **Management audit**

- b) Statutory Audit
- c) Cost Audit
- d) Financial Audit

27. Provision for bonus to employees is shown in:

- a) **Liability side of the Balance Sheet**
- b) Credit Side of the profit and loss account
- c) Trial Balance
- d) Other Books

28. Verification of fixed asset by the auditor should be made with reference to the

- a) **documents relating to their acquisition**
- b) only with invoice
- c) cash book
- d) purchase register

29. If the totals of two sides of trial balances agree, normally it signifies the.....

- a) Correctness
- b) Accuracy
- c) **Arithmetical accuracy**
- d) True & Fair View

30. In the case of non trading societies such as Co -operative Education Societies, Hospital Societies and similar other types of societies, which do not undertake trading activities, it is common to term the "Profit and Loss Account" as.....

- a) Revenue Account
- b) Income and Expenditure Account
- c) Statement of Financial Position
- d) **Both (a) and (b)**

31. The word 'Auditor' is derived from the Latin word meaning 'to hear'.

- a) **Audire**
- b) Audio
- c) Audit
- d) Auditorium

32. Registered debentures, stocks and shares, government securities, inscribed stock and bearer bonds and share warrants are:

- a) Current Assets
- b) Floating Assets

c) Investments

d) Fixed Assets

33. is a register showing the name and address of each member, the date of admission, the shares taken by him and the amount of share capital, if any refunded to him together with the date of each such payment and refund.

- a) Nomination Register
- b) **Share Application Register**
- c) Admission register
- d) Minutes Book

34. Every society shall maintain showing deposits and other borrowings of all kinds

- a) General Ledger
- b) **Ledger of Borrowing**
- c) Register of Monthly Receipts and Disbursement
- d) None of the above

35. Book of original entry in co-operative societies' accounting is:

- a) **Cash book**
- b) Register
- c) Voucher
- d) Ledger

36. means assets which may be converted into ready cash.

- a) Current Assets
- b) **Liquid Cover**
- c) Profit cover
- d) Contingent Asset

37. is a own fund of societies

- a) Loan
- b) Debentures
- c) **Share Capital**
- d) None of these

38. Principal State Partnership Fund shall be utilized by:

- a) **Apex Society**
- b) Central Society
- c) Primary Society
- d) None of these

39. DCB stand for:

- a) Development Cooperative Bank
- b) **District Co Operative Bank**
- c) District Committee Bank
- d) Debt Collecting Bank

40. Amount given in lump sum and the repayment in installment is called:

- a) **Loan**
- b) Subsidy
- c) Grant
- d) Discount

41. Share capital, admission fee, entrance fee, reserve fund and other funds are:

- a) **Owned funds**
- b) Borrowed funds
- c) Both (a) and (b)
- d) Reserve funds

42. State aid by way of share capital includes:

- a) Direct participation
- b) Indirect participation
- c) **Both (a) and (b)**
- d) Reverse participation

43. is direct participation by government.

- a) Subsidiary State Partnership Fund
- b) **Principal State Partnership Fund**
- c) Direct Partnership Fund
- d) Indirect Partnership Fund

44. Loan from district co-operative banks to primary bank is

- a) **Borrowed funds**
- b) Own funds
- c) Both (a) and 9b)
- d) Refinance

45. Ordinary debentures, rural debentures, and special debentures are issued by:

.....

- a) **SCARDS**
- b) DCB
- c) SCB

d) LMB

46. Agricultural Credit Stabilisation Fund is maintained by:

- a) **Credit society**
- b) Non-credit society
- c) Both (a) and (b)
- d) None of these

47. Subsidiary State Partnership Fund is established by:

- a) Apex Society
- b) **Central Society**
- c) Both (a) and (b)
- d) None of these

48. List of balance extracted from ledger accounts called:

- a) **Trial Balance**
- b) Balance sheet
- c) Profit & Loss A/c
- d) Receipts and Payments A/c

49. Co-operative banks know their financial position by preparing:

- a) Profit & Loss A/c
- b) Receipts & Disbursement Statement
- c) **Balance Sheet**
- d) Trial Balance

50. Co-operative societies transfer % of net profits towards Reserve Fund.

- a) **15%**
- b) 5%
- c) 25%
- d) 10%

51. Section deals with disposal of net profit of a co-operative society.

- a) 28
- b) 53
- c) **56**
- d) 46

52. The auditor of a co-operative society is appointed by:

- a) **Registrar of Co-operative Audit**
- b) General Body

- c) Board of Directors
- d) The society

53. An audit performed between two final audits is:

- a) Interim Audit**
- b) Internal Audit
- c) Test Audit
- d) Administrative Audit

54. The consideration payable for concurrent audit is:

- a) Audit Fee
- b) Audit Cost**
- c) Cost of Audit
- d) Audit Remuneration

55. The audit function of a co-operative society is entrusted with:

- a) Registrar
- b) Director of co-operative Audit**
- c) Both (a) and (b)
- d) Assistant Registrar

56. Audit classification is done by:

- a) The society
- b) The Registrar
- c) The Auditor**
- d) The DCA

57. The co-operative audit is done under which section?

- a) Section 3
- b) Section 28
- c) Section 64**
- d) Section 46

58. In summary of defects, the serious defects are furnished in:

- a) Part A**
- b) Part B
- c) Part C
- d) Part D

59. Minimum percentage of net profit to be transferred by a co-operative society as Education Fund is:

- a) **5%**
- b) 10%
- c) 15%
- d) 20%

60. Minimum percentage of net profit to be transferred by a co-operative society as Professional Education Fund is:

- a) **5%**
- b) 10%
- c) 15%
- d) 20%

61. Minimum percentage of net profit to be transferred by a co-operative society as Agricultural Credit Stabilisation Fund is:

- a) **7%**
- b) 5%
- c) 2%
- d) 10%

62. shows those amounts of receipts and payments which are not clearly defined.

- a) Summary of defects
- b) Liability Register
- c) Rectification Register
- d) **Suspense Account Register**

63. Fluid resources is also known as:

- a) Non-current assets
- b) Fluid cover
- c) **Liquid cover**
- d) All of the above

64. An amount not exceeding% of the net profit should transferred to 'Common Good Fund.'

- a) 5%
- b) **10%**
- c) 15%
- d) 20%

65. Co-operative societies distribute dividend out of:

a) Net profits

- b) Capital Profit
- c) Both (a) and (b)
- d) Paid up share capital

66. At present the dividend to members at a rate not exceeding..... % of paid up share capital can be declared if there is sufficient balance of net profit.

- a) 20%
- b) 25%**
- c) 10%
- d) 15%

67. Crop Loan System (CLS) was recommended by:

- a) Jagdish Kapoor Committee
- b) Chaudhary Brahm Prakash Committee
- c) All India Rural Credit Survey Committee**
- d) Mirdha Committee

68. Which is the refinancing bank of credit co-operatives in India?

- a) State Co-operative Bank
- b) NABARD**
- c) SBI
- d) RRBs

69. Principal State Partnership Fund **cannot be** utilized for the purpose of:

- a) Directly purchasing shares in other societies with limited liability
- b) Providing funds to a central society to enable the society to purchase shares in other societies with limited liabilities
- c) Repaying the amount to the government
- d) Making payment to primary societies with unlimited liability.**

70. The Registrar may by general or special order permit any society or class of societies to utilize up to % of the Reserve Fund in the business of such societies.

- a) 25%
- b) 50%**
- c) 20%
- d) 10%

71. In the case of a co-operative society, if interest received during the current year is Rs. 6,250; interest receivable during the previous year is Rs. 1000 and interest outstanding

now is Rs. 1,750, then how much net interest should be shown in the financial statement of the society?

- a) Rs. 8,000
- b) Rs. 7,000**
- c) Rs. 6,250
- d) Rs. 9,000

72. As per Rule 65(1), every co-operative society shall pay Audit Fee to the Government within of receipt of Audit Certificate.

- a) 1 month**
- b) 2 month
- c) 3 month
- d) 4 month

73. Audit fee is not based on:

- a) Working Capital as on the last day of co-operative year
- b) Total Sales during the year
- c) Gross income during the year
- d) Total Capital as on the last day of the co-operative year**

74. The Director of Co-operative Audit shall be competent to appoint auditors specially for the audit of one or more societies, having a working capital or annual sales proceeds exceeding:

- a) Rs. 5 lakhs
- b) Rs. 10 lakhs
- c) Rs. 15 lakhs
- d) Rs. 25 lakhs**

75. The maximum Audit Fee payable by a society shall not exceed rupees

- a) 5,00,000
- b) 3,00,000
- c) 2,00,000
- d) 1,00,000**

76. It shall be the duty of theof every society to ensure the accuracy of financial and other statutory statements.

- a) President
- b) Secretary
- c) Managing Committee**
- d) Treasurer

77. In a co-operative society, bad debts, doubtful debts and overdue interest are determined by:
- a) Secretary
 - b) President
 - c) Managing Committee
 - d) Auditors**
78. If a society gets marks more than 60, the audit classification is:
- a) A**
 - b) B
 - c) C
 - d) D
79. If a society gets marks between 50 and 59 the audit classification is:
- a) A
 - b) B**
 - c) C
 - d) D
80. According to audit classification, co-operative societies can be classified into types
- a) 4**
 - b) 3
 - c) 2
 - d) 1
81. Concurrent Audit is also known as
- a) Continuous Audit**
 - b) Current Audit
 - c) Internal Audit
 - d) Private Audit
- 82.....is one where the auditor visits the institution daily/regularly or periodically and completes the examination of accounts up-to-date.
- a) Internal Audit
 - b) Concurrent Audit**
 - c) Test Audit
 - d) Periodical Audit
83. When the Deputy Director /Assistant Director conducts audit of a few societies to ascertain whether the auditor has done the audit correctly or not, it is called.....

- a) Balance sheet Audit
- b) Efficiency Audit
- c) **Test Audit**
- d) Concurrent Audit

84. Which one of the following is **not true** in the case of Statutory Audit?

- a) It is compulsory under law
- b) **It is not compulsory under law**
- c) It is desirable according to the byelaw of the society
- d) Auditor is appointed under the provisions of the statute

85.is a comprehensive handbook giving practical and useful guidelines in the day to day performance of the Auditor's duties.

- a) Audit Diary
- b) Audit Handbook
- c) Audit Notebook
- d) **Audit Manual**

86. The audit of a co-operative society shall be completed within months from the end of the financial year.

- a) 3 months
- b) 4 months
- c) 5 months
- d) **6 months**

87.looks whether the society works as per the provisions of the Co-operative Societies Act, Rules, and Byelaws.

- a) Balance sheet Audit
- b) Interim Audit
- c) **Administrative Audit**
- d) Management Audit

88. is auditor's plan of action.

- a) **Audit Programme**
- b) Audit Manual
- c) Audit Calendar
- d) Audit Note

89. Audit Note is also called.....

- a) **Audit Memorandum**
- b) Audit Manual

- c) Audit Book
- d) Audit Diary

90..... means audit of accounts of the institution by the employees of the very same institution (audit wing of the institution deputed for the work).

- a) **Internal Audit**
- b) Internal Check
- c) Concurrent Audit
- d) Continuous Audit

91.....is a statement through which an auditor admits his findings and expresses his opinion on the state of affairs of the societies' business.

- a) Audit Certificate
- b) Audit Memoranda
- c) **Audit Report**
- d) Audit Statement

92. Qualified Report is also known as

- a) Quality Report
- b) **Adverse Report**
- c) Clean Report
- d) Good Report

93. Unqualified Report is also known as.....

- a) **Clean Report**
- b) Good Report
- c) Negative REport
- d) Modified Report

94. Management Audit is:

- a) Compulsory
- b) **Optional**
- c) Statutory
- d) Both (a) and (c)

95. Operational Audit means.....

- a) **Internal Audit**
- b) Management Audit
- c) Administrative Audit
- d) Efficiency Audit

96. Periodical Audit is also known as

- a) **Final Audit or Complete Audit**
- b) Operational Audit or Internal Audit
- c) Internal Audit
- d) Efficiency Audit

97. Co-operative audit is Financial Audit as well as.....

- a) Government Audit
- b) **Administrative Audit**
- c) Management Audit
- d) Interim Audit

98. Test Audit is type of special Audit by Department.

- a) Banking
- b) **Co-operative**
- c) Company
- d) None of these

99. Reserve Fund is created out of:

- a) Gross Profit
- b) Capital
- c) Debenture
- d) **Net Profit**

100. Audit of co-operative society is done as per Section of KCSA, 1969

- a) 61
- b) 62
- c) 63
- d) **64**

101. Payment of audit fee is a liability to

- a) Auditor
- b) **Society**
- c) Managing Committee
- d) Members

102. The auditor is always of a society.

- a) Member
- b) Nominal Member
- c) **Non-member**
- d) None of these

103.shall prepare the panel of auditors and audit firms.
- a) **DCA**
 - b) RCS
 - c) Government
 - d) General Body
104. is a set of procedures specially designed for an audit.
- a) Audit Notebook
 - b) Audit Note
 - c) Audit Procedure
 - d) **Audit Programme**
105. Audit memorandum is prepared by:
- a) Society
 - b) Registrar
 - c) **Auditor**
 - d) Inspector
106. Audit Report of are to be placed before the legislature.
- a) Central societies
 - b) **Apex societies**
 - c) DCB
 - d) All of these
107. The first duty of an auditor of a co-operative society is.....
- a) Inquiry
 - b) **Verification**
 - c) Investigation
 - d) Checking
108. Audit in the case of an enterprise is made compulsory by law is called..... Audit.
- a) **Statutory**
 - b) Internal
 - c) Interim
 - d) Cost
109. The checking of common books and records by an auditor as a matter of routine is known as.....
- a) Audit Procedure
 - b) Audit Notebook

c) **Routine Checking**

d) Working Note

110. shows the daily receipts and expenditure and the balance at the end of each day.

a) **Day Book**

b) Ledger

c) Receipts & Expenditure A/c

d) Income & Expenditure A/c

111. shows the name and address of each member and the number allotted to him and the date of admission, number of shares taken by him and the amount paid by him towards such shares and the amount of share capital if any, refunded to him together with the date of each such payment and refund.

a) Nomination Register

b) Share Allotment Register

c) Share Application Register

d) Admission Register

112. contain the name and address of the share applicant, the date of receipt of application, the number of shares applied for and in the case of refusal, the date of communication of the decision refusing the admission to the applicant.

a) Nomination Register

b) Share Allotment Register

c) Share Application Register

d) Admission Register

113. is kept for recording the proceeding of the committee, sub-committee and of the general body of the members.

a) Proceedings Register

b) Record Book

c) Minute Book

d) Daily Register

114. According Kerala Co-operative Society Rule 29 (1) is the record showing receipts and disbursements and outstanding under various heads from day to day.

a) Ledger

b) General Ledger

c) Subsidiary Ledger

d) Day Book/ Cash Book

115. Every society with limited liabilities which obtains any portion of its working capital by deposits and not coming within the purview of the Banking Regulation Act, 1949 shall maintain.....

- a) **Fluid Resources /Liquid Cover**
- b) Circulating Capital /Working Capital
- c) Both (a) and (b)
- d) CRR

116. The minimum Liquid Cover shall be of the scale of total demand and time liabilities (excluding full value of the fixed deposit matured and for payment) at the close of business in any day.

- a) 10%
- b) 15%
- c) 20%
- d) **25%**

117. Deposit Register, Loan Register, Liability Register, Chitty Register, etc are:

- a) General Ledgers
- b) **Subsidiary Ledgers**
- c) Both (a) and (b)
- d) None of these

118. A central society which received fund from the principal state partnership fund shall constitute another fund known as:

- a) **Subsidiary State Partnership Fund**
- b) State Partnership Fund
- c) Partnership Fund
- d) Central State Partnership Fund

119. Which one of the following is **not true** in the case of co-operative audit?

- a) Responsibility to audit is of the Director of Co-operative Audit
- b) Audit Fee is fixed in the Rules
- c) Qualification of the auditor is determined by the Registrar as per Rules
- d) **The auditor must be a Chartered Accountant**

120. The overdue in B Class society should not be above:

- a) 10%
- b) 15%
- c) 20%
- d) **25%**

121. Overdue of the society exceed and which are moribund are to be classified as D

- a) 20%
- b) 40%**
- c) 30%
- d) 45%

122. The overdue of the C Class society should not be above:

- a) 20%
- b) 40%**
- c) 30%
- d) 45%

123. The society which require no help from official and non-official staff for its working (except in annual audit) comes under:

- a) Class A**
- b) Class B
- c) Class C
- d) Class D

124. Societies getting 60% and above marks and working on profit will be classified under:

- a) Class A**
- b) Class B
- c) Class C
- d) Class D

125. Those societies getting more than 50% marks but less than 60% shall be classified under:

- a) Class A
- b) Class B**
- c) Class C
- d) Class D

126. Those societies getting more than 35% marks but less than 50% shall be classified under:

- a) Class A
- b) Class B
- c) Class C**
- d) Class D

127. Those societies getting less than 35% marks shall be classified under:

- a) Class A
- b) Class B

- c) Class C
d) Class D

Answer Keys

1	B	31	A	61	A	91	C	121	B
2	A	32	C	62	D	92	B	122	B
3	A	33	B	63	C	93	A	123	A
4	D	34	B	64	B	94	B	124	A
5	C	35	A	65	A	95	A	125	B
6	A	36	B	66	B	96	A	126	C
7	A	37	C	67	C	97	B	127	D
8	A	38	A	68	B	98	B		
9	D	39	B	69	D	99	D		
10	D	40	A	70	B	100	D		
11	C	41	A	71	B	101	B		
12	A	42	C	72	A	102	C		
13	D	43	B	73	D	103	A		
14	D	44	A	74	D	104	D		
15	A	45	A	75	D	105	C		
16	A	46	A	76	C	106	B		
17	A	47	B	77	D	107	B		
18	A	48	A	78	A	108	A		
19	A	49	C	79	B	109	C		
20	B	50	A	80	A	110	A		
21	A	51	C	81	A	111	D		
22	A	52	A	82	B	112	C		
23	C	53	A	83	C	113	C		
24	B	54	B	84	B	114	B		
25	B	55	B	85	D	115	A		
26	A	56	C	86	D	116	D		
27	A	57	C	87	C	117	B		

28	A	58	A	88	A	118	A		
29	C	59	A	89	A	119	D		
30	D	60	A	90	A	120	D		

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VERY IMPORTANT NOTE: If you want to delete or change any one or more of the question(s) given above, don't forget to make corresponding change in the table given at the end of questions. As the questions are automatically numbered, deletion of one question, for instance, will affect all other subsequent answers given in the table. The same is the case with respect to addition of questions. It is not applicable if you add a question at the end of the last (127th) question; so also in the case of deletion of last question(s). In that case Question Number(s) and Answer(s) of such question(s) only should be added or deleted in the table. 127 Questions & its **Answers** (in **red and bold letters**) are listed above.