

**M.COM DEGREE (CSS) EXAMINATION (2021 ADMISSION ONWARDS)**

**First Semester – Faculty of Commerce**

**Elective - Finance**

**CM010101 SPECIALISED ACCOUNTING**

**MULTIPLE CHOICE QUESTIONS**

1. Accounting standard Board of India was established in the year
  - a. **1977**
  - b. 1969
  - c. 1975
  
2. The accounting standards are mandatory for
  - a. Societies
  - b. Partnership firms
  - c. **Companies**
  
3. Ind AS 2 is
  - a. Income taxes
  - b. Leases
  - c. **Inventories**
  
4. Small and medium companies have complied with
  - a. **with all accounting standards (not Ind AS) with certain exceptions and relaxations**
  - b. with all accounting standards and Ind.AS
  - c. with all accounting standards
  
5. Goodwill is
  - a. A tangible asset
  - b. **An intangible asset shown under the head fixed asset**
  - c. None of the above
  
6. Weighted average method of calculating goodwill is used when
  - a. Profits are fluctuating
  - b. Profits are not equal
  - c. **Profit shown an increasing and decreasing trend**
  
7. Under the capitalization of super profit method, the formula for calculating goodwill is
  - a. **Average super profit/normal rate of return X 100**
  - b. Super profit X no. of years purchased
  - c. Super profit X annuity value
  
8. Methods of valuation of shares are
  - a. Net asset method
  - b. Earning capacity method
  - c. **Both a & b**

9. Under the net asset method, the formula for calculating the value per share is
- Net asset available to equity shareholders/No. of equity shares**
  - Net assets available to preference shareholders/ No. of preference shares
  - None of the above
10. When two or more existing companies go into liquidation and a new company is formed is known as
- Absorption
  - Amalgamation**
  - External reconstruction
11. Purchase consideration is defined in
- AS - 10
  - AS - 14**
  - AS – 12
12. When the net assets are less than the purchase consideration, the difference will be
- Debited to general reserve
  - Credited to capital reserve
  - Debited to goodwill account**
13. In the books of transferee company, the assets and liabilities are recorded
- Agreed value**
  - Book value
  - Market value
14. When purchasing company pays purchase consideration, it will be debited to
- Business purchase account
  - Liquidation of vendor company account**
  - Asset account
15. Non-banking financial companies are registered under the
- Companies Act 2013/1956**
  - Companies Act 2014/1956
  - Companies Act 2015/ 1956
16. Book value of the assets and interest accrued thereon but not received is called
- Breakup value
  - Carrying cost**
  - Earning value
17. The net asset value per unit of mutual fund scheme is
- Market value of investment divided by the total number of units**
  - Market value of investment multiplied by the total number of units
  - All of the above

18. In India, asset Management Company (AMC) must be registered with
- Companies Act 2013
  - Reserve Bank of India
  - SEBI**
19. The funds in which units can be purchased only during the initial offer period are called
- Growth equity schemes
  - Open – ended funds
  - Closed – ended funds**
20. Block chain can be stored as
- A database
  - A flat file
  - All the above**
21. Consortium block chain is
- Model of private block chain
  - Model of public block chain
  - Mix model of public and private block chain**
22. On which block chain bitcoin is based
- Private
  - Public**
  - None of the above
23. Forensic accounting is defined as
- The use of law enforcement to sab poem financial records to determine unlawful actions
  - The application of accounting methods to the tracking and collection of forensic evidence, usually for investigation and prosecution of criminal acts such as embezzlement or fraud**
  - The investigatory arm of the securities and exchange commission
24. AS – 10 is the combination of
- Old AS - 10 and AS - 6 (Depreciation)**
  - AS - 12 and AS 6
  - AS - 10 and AS – 11
25. Which member are represented on the ASB?
- ICSI**
  - ICWAI
  - IMA
26. AS – 11 stands for
- Government grants
  - The effect of change in foreign exchange rates**
  - Intangible assets

27. Which of the following is not fundamental accounting assumption?
- Going concern
  - Consistency
  - Regularity**
28. Variable production overheads should be allocated on the basis of
- Actual use of production facilities**
  - Accrual basis
  - Basis of cost of production
29. The costs incurred in bringing the inventories to the present location and condition is known as
- Operating cost
  - Bringing cost**
  - Controllable cost
30. Which of the following is the example of joint- product?
- Using milk (same input) butter, cheese**
  - Salt from a desalination plant
  - Straw from a grain harvesting operation
31. When the reversal of impairment losses happens
- When the recoverable amount is greater than the carrying value**
  - When the recoverable amount is less than the carrying value
  - When the recoverable amount is zero
32. This type of goodwill is not recognized in the balance sheet. It is not related to the purchase consideration. Which goodwill is this?
- Purchased goodwill
  - Inherent goodwill**
  - CAT goodwill
33. Which method is used in valuation of goodwill?
- Purchase of average profit**
  - Duel value method
  - Exchange ratio method
34. How to calculate simple average profit?
- Total adjusted profit/ number of years**
  - Total product/total weight
  - Maintainable profit X number of years purchase
35. In annuity method 'r' stands for
- Number of years
  - Rate**
  - Returning value

36. Which of the following is not a method of valuation of shares?
- Duel value method
  - Exchange ratio method
  - Capitalization of average profit**
37. In valuation of shares, net asset method is also called-----
- Asset backing method**
  - Earning yield method
  - Cash earnings method
38. What is EPS in accounting?
- Employee's Pension Scheme
  - Earnings Per Share**
  - Electronic Payment Services
39. Which one of the following is legal procedure of amalgamation?
- Transfer of assets and liabilities**
  - Approval of ICAI
  - RBI's approval
40. AS – 14 stands for
- Employee benefit
  - Impairment of assets
  - Accounting for amalgamation**
41. Which of the following is not an activity of NBFC?
- Agriculture activity**
  - Loans and advances
  - Hire purchase
42. Which one of the following is an example for NBFC?
- SBI
  - RBI
  - LIC**
43. Which is the provision requirement of sub-standard assets?
- 10%**
  - 0.40%
  - 50%
44. Mutual funds are regulated in the country by
- SEBI**
  - RBI
  - IRDA

45. Which among the following are the types of mutual funds?
- Debt fund
  - Equity fund
  - All the above**
46. Identify one of the types of block chain network
- Open block chain network
  - Private block chain network**
  - Restricted block chain network
47. Who is known as the father of AI?
- John McCarthy**
  - Alan Turing
  - Fisher Ada
48. The component of an expert system is
- Knowledge base
  - Inference engine
  - All of the above**
49. ICAI stands for
- Indian Credit Accounts of Investment
  - Institute of Chartered Accountants of India**
  - Internal Computer Accounts Integration
50. Business combinations comes under
- Ind AS 103**
  - Ind AS 1
  - Ind AS 20
51. Which are not included in the valuation of inventories?
- Non production overheads
  - Packaging costs
  - Interest and financial or borrowing cost**
52. The tax effect of timing difference is called
- Depreciation
  - Deffered tax**
  - Current tax
53. How to calculate depreciable amount?
- Historical cost – residual value**
  - Purchase price X historical cost
  - Historical cost/ residual value

54. How to calculate normal profit?
- Super profit X number of years purchase
  - Super profit – purchase price
  - Average capital employed X normal rate of return**
55. When is purchased goodwill arise?
- Acquisition of a business**
  - Amalgamation of business
  - None of the above
56. Which of the following factors is not affecting the valuation of shares of a company?
- Government policy
  - Right issue
  - Strong market dominance**
57. The purchase consideration is directly given in the scheme of amalgamation, which purchase consideration method is used in this situation
- Net payment method
  - Net asset method
  - Lumpsum method**
58. From which account the provisions are transferred in the case of amalgamation in the nature of purchase
- Purchase account
  - Bank account
  - Realization account**
59. The common transactions between transferor company and transferee company is called
- Mutual owings**
  - Unrealized profits
  - Inter-company holdings
60. Which of the following is the journal entry for unrealized profit in the case of amalgamation in the nature of purchase?
- P & L account -----Dr  
To stock/ stock reserve account
  - Goodwill account-----Dr  
To stock/ stock reserve account**
  - Cash account-----Dr  
To stock/stock reserve account
61. The excess of the purchase consideration over the net assets of the transferor company is shown as
- Capital reserve
  - Realization
  - Goodwill**

62. The minimum duration of interval period is
- 30 days
  - 15 days**
  - 20 days
63. In the case of NAV the depreciation should be deducted from the value of
- Market value
  - Book value
  - Investments**
64. What is fair value?
- Average of the earning value
  - Average of the breakup value
  - Average of the earning value and breakup value**
65. Mix model of public and private block chain is called
- Permanence chain
  - Consortium chain
  - Value added chain
66. How to calculate EDP
- NDP + GDP
  - GDP/depreciation
  - NFC – environmental costs**
67. Who developed the system of SEEA
- IASB
  - UNSTAT**
  - Both of them
68. Which one is indirectly related law of green accounting?
- The forest conservation Act 1980
  - The environment Act 1986
  - The factories Act 1948**
69. Lean accounting enables -----based pricing
- Value**
  - Cost
  - Market price
70. It deals with investigation of criminal matters relating to employee theft, insurance fraud, etc. which accounting is used in this situation
- Green accounting
  - Forensic accounting**
  - Lean accounting



71. Accounting standards are considered
- Computation of value of closing stock
  - Guide for preparing and maintaining accounts**
  - Valuation of shares
72. Accounting standard for revenue recognition
- AS – 1
  - AS – 2
  - AS – 9**
73. Which of the following is not cover under AS 2?
- Held for sale in ordinary course of business
  - Process of production for sale
  - Work in progress arising in ordinary course of business of service providers**
74. Variable production overhead should be allocated on the basis of
- Normal capacity
  - Actual use of production facilities**
  - Actual production greater than normal production
75. AS - 26 deals with
- Inventories
  - Plant and property
  - Intangible assets**
76. Which of the following is the scope of AS 22?
- Revenue of insurance companies arising from insurance contracts
  - Disclosure of the amount of the tax expenses and saving in the financial statement**
  - The cost formula used for cost determination
77. Which of the following is the method used to value goodwill?
- Arbitrary assessment method**
  - Net asset method
  - Exchange ratio method
78. How to calculate weighted average profit?
- Total product/ Total weight**
  - Total adjusted profit/No. of years
  - Total weight X no. of years
79. Reliane Ltd. Takes over the business of Future retails. It is a case of
- Amalgamation
  - Absorption**
  - External reconstruction

80. The method to be followed in case of amalgamation in the nature of merger
- Pooling of interest method**
  - Purchase method
  - Absorption method
81. Which of the following is an outsider's liability?
- Workmen compensation fund**
  - Provident fund
  - Dividend equalization fund
82. If the transferee company paid the liquidation expense it is debited to
- Goodwill account
  - Capital reserve account
  - Realization account**
83. Which of the following is considered as a NBFC
- Hire purchase company
  - Loan company
  - All of the above**
84. Block chain is a ----- database
- Centralized
  - Decentralized**
  - None of the above
85. Artificial intelligence is about
- Playing a game on computer
  - Making a machine intelligent**
  - Putting your intelligence in machine
86. Valuation of goodwill follows
- Historical cost method or fair value
  - Straight line method of reducing balance method
  - Average profit method or super profit method**
87. NBFC not registered with RBI
- Investment company
  - Government companies**
  - Asset financing company
88. NBFC registered with RBI
- Loan company**
  - Housing finance company
  - Insurance companies

89. The business of one or more existing companies taken over by another existing company
- Amalgamation
  - Absorption**
  - Acquisition
90. AS 14 doesn't use the term
- Acquisition**
  - Amalgamation
  - Absorption
91. The internally generated goodwill over the years is
- Inherent goodwill**
  - Recording of goodwill
  - Purchased goodwill
92. An accountant can change the accounting policy only if it is required
- On liquidation
  - For compliance with an accounting standard**
  - Winding up
93. The earning power of the company in relation to the net asset of the company means
- Price earning method**
  - Productivity factor
  - Dividend yield method
94. In the valuation of shares, special factors include
- Demand and supply of shares
  - State of the company
  - Restricted transferability**
95. Relationship where the whole is greater than the sum of individual parts is a
- Diversification of risk
  - Synergy**
  - Accelerated growth
96. How many accounting standards are there in India?
- 38
  - 42
  - 41**
97. ICAI established under
- Companies Act 1956
  - Companies Act 2013
  - Chartered Accountant Act 1949**

98. Which of the following factors is not affecting the goodwill of a company?
- a. Good after sales service
  - b. Location of customer**
  - c. Outstanding quality products
99. While calculating net asset value, fictitious assets-----
- a. Should be excluded**
  - b. Should be included
  - c. None of the above
100. IASC established in the year
- a. 1975
  - b. 1973**
  - c. 1974