

CORPORATE ACCOUNTING

BBA

III Sem

- 1) A company formed and registered under -----Act 1956.
 - (a) Partnership
 - (b) Companies
 - (c) Banking companies
 - (d) none of these.
- 2) A ----- Company puts restriction on the transfer of its shares.
 - (a) Private company
 - (b) Public company
 - (c) Limited companies (
 - d) None of these.
- 3) A new company cannot issue shares at-----.
 - (a) Premium
 - (b)Discount
 - (c) Par
 - (d) None of these.
- 4) ----- is an invitation made by the company to the public for subscribing its shares.
 - (a) Memorandum of association
 - (b) Articles of association
 - (c)Prospectus
 - (d) Table A.

- 5) The maximum extent to which a company can raise share-capital is called ----- capital.
- (a) Subscribed
 - (b) Authorized
 - (c) Called
 - (d) Reserve capital.
- 6) ----- Shares carry a fixed rate of dividend.
- (a) Preference
 - (b) Equity
 - (c) Deferred
 - (d) Sweat equity.
- 7) Share application account is in the nature of ----- account.
- (a) Personal
 - (b) Real
 - (c) Nominal
 - (D) None of these.
- 8) The discount on the issue of shares should not exceed ----- normally.
- (a) 10%
 - (b) 20%
 - (c) 30%
 - (d) None of these.
- 9) Profit on the re-issue of forfeited shares is transferred to ----- account.
- (a) General reserve
 - (b) Capital reserve (c) Capital redemption reserve (d) none of these.
- 10) Capital reserve will appear on the liability side of the balance sheet under the head -----.
- (a) Reserves & surpluses

- (b) Secured loan
- (c) Unsecured loan
- (d) Current liabilities.

11) Profit on re-issue of forfeited shares will appear on the ----- side of the balance sheet.

- (a) Asset side
- (b) Liability side
- (c) Debit side
- (d) Credit side.

12. Debentures are normally paid back after the expiry of the period this is technically called -----.

- a) Renewal
- b) Redemption
- c) Conversion
- d) Forfeiture

13. Redemption of debentures means -----

- a) Creation of liability
- b) Discharge of liability
- c) Concession of liability
- d) None of these.

14. Premium on redemption of debentures account is in the nature of -----

- a) Personal account
- b) Real account
- c) Nominal account
- d) None of these.

15. After all the debentures are redeemed; the balance in the sinking fund account is transferred to -----
-----.

- a) Capital reserve
- b) General reserve
- c) Profit and loss account
- d) Capital redemption reserve.

16. When own debentures are cancelled, any profit on cancellation is transferred to -----

- a) Profit and Loss Account
- b) General reserve
- c) Capital Reserve
- d) Sinking fund

17. For the same purchase price profit on cancellation of debentures is more when purchase on -----
-- basis.

- a) Ex-Interest
- b) Cum-Interest
- c) Own Debentures basis
- d) None of these.

18. When debentures are redeemed from out of profits an equal amount is transferred to -----
account.

- a) Capital reserve
- b) Capital Redemption Reserve
- c) Debenture redemption reserve
- d) General Reserve.

19. When debentures are redeemed in annual installments the redemption is known as -----.

- a) Redemption by drawing a lot
- b) Redemption out of capital
- c) Redemption out of profit
- d) Redemption by conversion.

20. a preference share is one which enjoys a preferential right regarding payment of -----

- a) Dividend
- b) Share capital
- c) Interest
- d) Debentures.

21. The issue of shares at discount provided the discount does not exceed 10% as specified in -----
- of the companies Act.

- a) Section 80
- b) Section 81
- c) Section 79
- d) Section 76

22. The share premium account can be utilized to write off the ----- expense of the company.

- a) Printing expenses
- b) Establishment expenses
- c) Preliminary expenses
- d) None of these.

23. Which of the following not the uses of share premium.

- a) Issue of partly paid bonus shares
- b) Issue of fully paid bonus shares
- c) Write off preliminary expense
- d) Write off expenses on the issue of shares.

24. When shares originally issued at discount are forfeited, the discount in respect of them is to be -----

- a) Debited
- b) Credited
- c) Paid
- d) None of these

25. Once the share premium account is credited the same, if the premium is not received.

- a) Cannot be debited
- b) Cannot be credited
- c) Can be debited
- d) Can be credited

26. Dividend is payable on the ----- of the shares.

- a) Paid up value
- b) Called up value
- c) Calls in advance
- d) None of these.

27. Share can be forfeited for -----.

- a) For non-payment of call money

- b) For failure to attend meetings
- c) Failure to repay the loan
- d) None of these.

28. When shares are forfeited the share capital account is debited by -----

- a) Calls-in-arrears
- b) Called up amount
- c) Paid up amount
- d) Subscribed amount

29. ----- have priority over equity as to the receipt of individuals and as to assets in the event of liquidation.

- a) Equity shares
- b) Deferred shares
- c) Preference shares
- d) Sweat equity shares

30. Preference shares cannot be redeemed unless they are -----

- a) Partly paid
- b) Fully paid
- c) Twice paid up
- d) One by two paid up.

31. Called up capital minus calls in appear is -----

- a) Subscribed capital
- b) Registered capital
- c) Paid up capital
- d) Uncalled capital.

32. The minimum amount of capital which must be subscribed by the public before a public company can allot shares is -----

- a) Allotment money
- b) Minimum subscription
- c) Subscribed capital
- d) Issued capital.

33. Find the odd one:-

- a) Subscribed capital
- b) Authorized capital
- c) Registered capital
- d) Nominal capital

34. When 500 shares of Rs. 10 each on which Rs.3 on final call is not paid, share forfeited account is credited with -----

- a) Rs.1,500
- b) Rs.3,500
- c) Rs.5,000
- d) Rs.2,000

35. If one share is allotted for every five shares applied, an applicant for 1,000 shares will get -----

- a) 200 shares
- b) 5000 shares
- c) 5 shares
- d) 6 shares.

36. If a share of Rs.10 is issued at a premium of 20%, the issue price is -----

- a) Rs.8
- b) Rs.12
- c) Rs.2
- d) None of these.

37. Right issue means issue of shares to -----

- a) Existing debenture holder

- b) Existing share holders
- c) Promoters
- d) Institutional investors

38. Find the odd one:-

- a) To issue fully paid bonus shares
- b) To Write off preliminary expenses
- c) To distribute dividend in cash
- d) To pay Premium payable on redemption of shares or debentures.

39. When shares are oversubscribed, allotment is made on ----- basis

- a) First come first served
- b) Pro-rata
- c) Total
- d) None of these.

40. ----- capital of a company can be called up only in the event of winding up.

- a) Reserve
- b) Authorized
- c) Registered
- d) Nominal

41. Debentures constitute ----- capital of the company

- a) Owned
- b) Borrowed
- c) Reserve
- d) None of these

42. Debenture holders are ----- of a company.

- a) Owners
- b) Creditors

- c) Debtors
- d) None of these

43. Generally, debentures are

- a) Unsecured
- b) Secured
- c) Converted
- d) Bearer

44. Redemption of debentures means ----- of liability on debentures.

- a) Conversion
- b) Discharge
- c) Creation
- d) None of these

45. Debentures issued with a fixed or a floating charge on the assets of the company are called ----- debentures

- a) Bearer
- b) Secured
- c) Simple
- d) Unsecured

46. Debentures repayable after a fixed period of a time are called ----- debentures.

- a) Convertible
- b) Redeemable
- c) Bearer
- d) Secured

47. When charge is created against specific assets of the company, it is called ----- charge.

- a) Floating
- b) Fixed
- c) Second

d) None of these.

48. Unsecured debentures are otherwise known as ----- debentures.

- a) Simple
- b) Mortgage
- c) Bearer
- d) None of these.

49. Debenture is a written ----- of debt of a company

- a) Articles
- b) Acknowledgement
- c) Payment
- d) None of these.

50. Premium on issue of debentures is a -----.

- a) Capital loss
- b) Capital profit
- c) Revenue profit
- d) Revenue loss.

51. Capital Redemption Reserve Account and Securities Premium Account can be only for issuing fully paid Bonus Shares and not for making partly paid shares into -----

- a) Fully paid
- b) Partly paid
- c) Converted
- d) None of these.

52. Bonus issue can be made out of securities premium collected in -----

- a) Cash only
- b) In kind
- c) Partly in cash and in kind
- d) None of these.

53. Bonus issue is permitted only if all partly paid shares are made-----

- a) Fully paid shares
- b) $\frac{3}{4}$ Fully paid
- c) $\frac{1}{4}$ Fully paid
- d) None of these

54. Bonus issues ----- even when the shares are partly paid.

- a) Can be made
- b) Cannot be made
- c) Both of them.
- d) None of these

55. In order to know ----- value of shares, it is necessary to know the net value of the assets of the company.

- a) Intrinsic value
- b) Yield value
- c) Fair value
- d) None of these

56. If the actual profits are more than the expected normal profits, the difference is termed as -----

- a) Simple profit
- b) Average profit
- c) We gated Average profit
- d) Super profit

57. Intrinsic value of share is calculated by dividing the ----- of the company by the number of shares

- a) Market value of assets
- b) Net asset
- c) Original cost of asset
- d) None of these

58. Fair value of a share is the simple average of intrinsic value and ----- value of a share

- a) Nominal value
- b) Face value
- c) Market value
- d) Yield value.

59. In the calculation of -----, past profits will have to be adjusted, in order to determine the future expected profits.

- a) Shares
- b) Market value
- c) Fair value
- d) Goodwill

60. Fair value of a share is the ----- average of intrinsic value and yield value.

- a) Weighted
- b) Simple
- c) Multiple
- d) None of these.

61. ----- of the following is not concerned with the valuation of goodwill.

- a) Earning capacity method
- b) Super profit method
- c) Average profit method
- d) None of these

62. In the balance sheet forfeited shares amount is to be added to -----.

- (a) Share capital
- (b) Reserve
- (c) Surplus
- (d) None of these

63. Dividend declared between two Annual General Meetings.

- a) Final dividend
- b) Proposed dividend
- c) Unclaimed dividend
- d) Interim dividend

64. When the proposed dividend is more than 20 %, an amount equal to ----- of the current profits must be transferred to reserve.

- a) 5%
- b) 7.5%
- c) 2.5%
- d) 10%

65. Share holders cannot increase the rate of ----- recomened by the Boared of Directors.

- a) Interest
- b) Profit
- c) Dividend
- d) None of these.

66. Advance payment of tax should be shown on the ----- side of the balance sheet.

- a) Liability side
- b) Asset side
- c) Debit side
- d) Credit side

67. No dividend is payable on calls in -----

- a) Arrears
- b) Unpaid
- c) Unclaimed
- d) Advance

68. Companies have a statutory obligation to prepare required by section 210 of the companies Act

- a) Trading account

- b) Profit and loss account
- c) Balance sheet
- d) Final accounts

69. Companies have a statutory obligation to prepare final accounts required by ----- of the companies Act 1956.

- a) Section 215
- b) Section 220
- c) Section 210
- d) Section 212

70. Companies have a statutory obligation to prepare final Accounts required by section 210 of the -----
-----1956.

- a) Partnership Act
- b) Banking Regulation Act
- c) Insurance Act
- d) Companies act.

71. Companies have a statutory obligation to prepare final accounts required by section 210 of the companies Act -----

- a) 1936
- b) 1932
- c) 1938
- d) 1956

72. Final accounts of the companies is prepared under the -----

- a) Partnership Act 1932
- b) Insurance Act 1938
- c) Companies Act 1956
- d) Banking Regulation act 1949

73. Requirements given in part II of the schedule VI apply to -----

- a) The Trading Account
- b) The Profit and Loss Account
- c) The balance sheet
- d) Final Accounts

74. Requirements given in part I of schedule VI apply to -----

- a) Income statement
- b) Statement of profit or loss
- c) Balance sheet
- d) Final accounts

75. Requirements given in part II of -----apply to statement of profit or loss

- a) Schedule III
- b) Schedule IV
- c) Schedule V
- d) Schedule VI

76. Requirements given in part I of ----- apply to Balance sheet

- a) Schedule I
- b) Schedule VI
- c) Schedule II
- d) Schedule V

77. Ordinarily ----- are not available for the distribution of dividend.

- a) Revenue profits
- b) Capital profits
- c) Gross profit
- d) Net profit

78. Ordinarily ----- are available for the distribution of dividend.

- a) Revenue profits
- b) Capital profits
- c) Gross profit
- d) Trading profits

79. Dividend paid or declared are subject to corporate dividend Tax @ ----- as per recent finance Act.

- a) 12.5%
- b) 17%
- c) 15%
- d) 10%

80. Dividend paid or declared are subject to corporate Dividend Tax @ 17% as per recent -----

- a) Finance Act
- b) Companies Act
- c) Partnership Act
- d) Insurance Act

81. Dividend paid are subject to ----- Tax @ 17% as per recent Finance Act

- a) Income Tax
- b) Gift Tax
- c) Corporate Dividend Tax
- d) None of these

82. Assets in to Balance sheet of a limited company are arranged in order of :-

- a) Liquidity
- b) Permanence
- c) Durability
- d) Turnover

83. Calls in arrear is shown on the liability side of the balance sheet:-

- a) Under the heading current liabilities
- b) Under the head current assets
- c) Under the head fixed assets
- d) By deducting the amount from the called up capital

84. Fictitious assets are shown on the -----side of the balance sheet.

- a) Liability side
- b) Income
- c) Balance sheet
- d) Assets

85. Fictitious Assets shown on the Asset side of the -----

- (a) Project and loss account
- (b) Income statement
- (c) Balance sheet
- (d) Revenue account.

86. Fictitious Assets are shown on the asset side of the balance sheet of a company under the heading --

- a) Fixed assets
- b) Current assets
- c) Tangible assets
- d) Miscellaneous Expenditure

87. Goodwill incase of a joint stock on the assets side under the heading of -----

- a) Fixed assets
- b) Current Assets
- c) Tangible assets
- d) Intangible assets

88. ----- in case of a joint stock company is shown on the Asset side under heading of intangible assets

- a) Goodwill
- b) Plant & machinery
- c) Land
- d) Building

89. Goodwill in case of a joint stock company is shown on the ----- side under the heading of intangible assets

- a) Liability side
- b) Asset side
- c) Credit side
- d) Debit side

90. Share forfeited Account is shown on the liabilities side of the balance sheet-----

- a) By adding to the paid up capital
- b) Under the head reserves and surpluses
- c) Under the head current liabilities
- d) Under the head current Assets

91. Unclaimed dividend is shown on the liability side of the balance sheet under the heading:-

- a) Reserves & Surpluses

- b) Current liabilities
- c) Provisions
- d) Unsecured Loans.

92. Unclaimed dividend is shown on the ----- of the balance sheet

- a) Assets side
- b) Credit side
- c) Liability side
- d) Debit side

93. Unclaimed dividend is shown on the liability side of the ----- under the heading current liabilities.

- a) Profit and loss account
- b) Income statement
- c) Revenue Account
- d) Balance sheet

94. The difference between Gross dividend receivable and dividend received is debited to -----

- a) Tax deducted at source
- b) Dividend deducted at source
- c) Interest deducted at source
- d) None of these.

95. The difference between ----- receivable and dividend received is debited to tax deducted at source.

- a) Gross dividend
- b) Net dividend
- c) Average dividend
- d) Final dividend

96. Dividend declared between two ----- is known as interim dividend

- a) Annual general meeting
- b) Directors meeting
- c) Special meeting
- d) Board meeting

97. ----- declared between two annual general meeting is known as interim dividend

- a) Interest
- b) Dividend
- c) Final dividend

d) Unclaimed dividend

98. Dividend declared between two annual general meeting is known as -----

- a) Final dividend
- b) Unclaimed dividend
- c) Interim dividend
- d) None of these.

99. Calls in advance is shown on the ----- of the balance sheet

- a) Asset side
- b) Credit side
- c) Liability side
- d) Debit side

100. Preliminary expenses incurred on the ----- of a company.

- a) Formation
- b) Fluctuation
- c) Absorption
- d) Amalgamation

101. A Banking company should transfer ----- of its profits to a statutory reserve.

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

102. A banking company should transfer 25% of its profits to a -----

- a) General reserve
- b) Capital reserve
- c) Statutory Reserve
- d) Reserve fund

103. A ----- company should transfer 25% of its profits to a statutory reserve

- a) Joint stock company
- b) Insurance company
- c) Private limited company
- d) Banking company

104. Rebate on bills discounted is a ----- of the Banking company.

- a) Liability

- b) Assets
- c) Expense
- d) Income

105. Rebate on bills discounted is shown on the ----- side of the balance sheet

- a) Asset
- b) Liability
- c) Credit
- d) Debit

106. Rebate on bills discounted is shown on the liability side of the -----

- a) Profit and loss account
- b) Income statement
- c) Balance sheet
- d) None of these.

107. Bills discounted is an ----- of the banking company

- a) Asset
- b) Liability
- c) Income
- d) Expense

108. Banks are required to transfer ----- of their profits to a statutory Reserve.

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

109. Rebate on bills discounted is -----

- a) An item of income
- b) Income received in advance
- c) An asset
- d) Income accrued

110. Banking business in India is largely governed by the Banking Regulation Act-----

- a) 1932
- b) 1956
- c) 1949
- d) 1938

111. ----- in India is largely governed by the Banking Regulation act 1949.

- a) Insurance business
- b) Banking business
- c) Joint Stock company
- d) Cooperative society.

112. Banking business in India is largely governed by the -----

- a) Partnership Act
- b) Companies Act
- c) Insurance Act
- d) Banking Regulation Act

113. A ----- loan is payable on demand

- a) Short term Loan
- b) Demand Loan
- c) Fixed Loan
- d) Long term Loan

114. A demand Loan is payable on -----

- a) Demand
- b) At any time
- c) After one year
- d) After six months

115. Revenue reserve means any reserve other than ----- reserve.

- a) General
- b) Capital
- c) Capital Redemption
- d) Other reserve.

116. Money at call and short notice is an ----- of the Banking company.

- a) Liability
- b) Asset
- c) Income
- d) Expense

117. Banks show provision for income tax under the head

- a) Contingency Account

- b) Other liabilities
- c) Contingent liabilities
- d) None of these.

118. Contingency funds have been grouped in the balance sheet under the head -----

- a) Other liabilities
- b) Provisions
- c) Current liabilities
- d) Current liabilities and provisions.

119. No profits and Loss Appropriation Account is prepared in case of a ----- company.

- a) Company
- b) Partnership
- c) Banking company
- d) None of these,

120. Banks are required to prepare final accounts for each ----- year

- a) Financial year
- b) Calendar year
- c) Previous year
- d) None of these.

121. A company required to prepare in profit & loss Account according to ----- in to III schedule to the banking regulation Act.

- a) Form A
- b) Form B
- c) Form C
- d) Form D

122. A Banking company required to prepare its balance sheet according to ----- in the schedule III to the banking

- a) Form A
- b) Form B
- c) Form C
- d) Form D

123. A Banking company required to prepare final accounts according to ----- schedule to the banking Regulation Act.

- a) III
- b) IV

- c) V
- d) VI

124. A ----- company required to prepare its balance sheet according to form A in the III schedule to the banking Regulation Act.

- a) Insurance company
- b) Joint stock company
- c) Banking company
- d) None of these.

125. A ----- company required to prepare its project and loss account according to Form B in the Schedule III to the Banking Regulation Act.

- a) Insurance company
- b) Joint stock company
- c) Banking company
- d) None of these.

ANSWERS

1.B	2.A	3.B	4.C	5.B	6.A	7.A	8.A	9.B	10.A	11.B	12.B
13.B	14.C	15.B	16.C	17.B	18.C	19.A	20.B	21.C	22.C	23.B	24.B
25.C	26.A	27.A	28.C	29.C	30.B	31.C	32.B	33.A	34.B	35.A	36.B
37.B	38.C	39.B	40.A	41.B	42.B	43.B	44.B	45.B	46.B	47.B	48.A
49.B	50.B	51.A	52.A	53.A	54.A	55.A	56.D	57.B	58.D	59.A	60.B
61.A	62.A	63.D	64.D	65.C	66.B	67.D	68.D	69.C	70.D	71.D	72.C
73.B	74.C	75.D	76.B	77.B	78.A	79.B	80.A	81.C	82.B	83.D	84.D
85.C	86.D	87.A	88.A	89.B	90.A	91.B	92.C	93.D	94.A	95.A	96.A
97.B	98.C	99.C	100.A	101.B	102.C	103.D	104.A	105.B	106.C	107.A	108.A
109.B	110.C	111.B	112.D	113.B	114.A	115.D	116.B	117.B	118.D	119.C	120.A
121.B	122.A	123.A	124.C	125.C							
