

Section : Accountancy Core

Q.1 As per AS-26 Intangible assets like goodwill should be written off.

1. As early as possible.
2. As early as possible but not exceeding its estimated life.
3. As early as possible but not exceeding its estimated life, which normally should not be beyond 10 years
4. Within the useful life of asset, irrespective of number of years.

Options 1. 1

2. 2
3. 3
4. 4

Q.2 In case of dissolution Machine costing Rs 20,000, alongwith cash of Rs 5,000 were given to creditors of Rs 30,000 in full settlement of their claim.

In this case Realisation A/c will be Debited with _____

1. Rs 30,000
2. Rs 25,000
3. Rs 15,000
4. Rs 5,000

Options 1. 1

2. 2
3. 3
4. 4

Q.3 The major difference between Retirement and Death is

1. Retirement normally takes place at the end of an accounting period, and the death of a partner may occur at any time.
2. Retirement always takes place at the end of the year, whereas Death Always takes Place in beginning of the year
3. Retirement always takes place in beginning of the year, whereas Death Always takes Place at the end of the year
4. Retirement normally takes place at the end of an accounting period, and the death of a partner takes place at the beginning of the year.

Options 1. 1

2. 2
3. 3
4. 4

Q.4 Arrange the following steps related to the issue of shares in proper sequence.

- (A) Allotment of Shares
- (B) Receipt of Applications
- (C) Issue of Prospectus
- (D) Share calls

Choose the correct answer from the options given below:

1. (A), (B), (C), (D)
2. (C), (B), (D), (A)
3. (B), (A), (D), (C)
4. (C), (B), (A), (D)

Options 1. 1

2. 2
3. 3

Q.5 When a partnership firm is dissolved, final payment made to partners is transferred to

1. Realisation A/C
2. Partner's Loan A/C
3. Partner's Current A/C
4. Bank A/C

Options 1. 1

2. 2
3. 3
4. 4

Q.6 At the time of forfeiture, share capital account is

1. Debited with face value.
2. Credited with face value.
3. Debited with called up value.
4. Credited with called up value.

Options 1. 1

2. 2
3. 3
4. 4

Q.7 The past average profits of a business works out at Rs. 20,000 and it is expected that such profits are likely to continue for another three years, the value of goodwill based on average profit method will be.....

1. Rs.60,000.
2. Rs.20,000.
3. Rs.40,000.
4. Rs.50,000.

Options 1. 1

2. 2
3. 3
4. 4

Q.8 When realisation expenses are paid by the firm on behalf of a partner, such expenses are debited to

1. Realisation A/C
2. Partner's Capital A/C
3. Partner's Loan A/C
4. Bank A/C

Options 1. 1

2. 2
3. 3
4. 4

Q.9 When a new partner brings his share of goodwill in cash, the amount is credited to :

1. Premium for goodwill account
2. Capital account of new partner
3. Cash/Bank account
4. Capital account of old partners

Options 1. 1

2. 2
3. 3
4. 4

Q.10 Debentures can be issued at

- (A) Par
- (B) Premium
- (C) Discount
- (D) Transaction value

Choose the *correct* answer from the options given below:

- 1. (A), (B) and (D) only
- 2. (A), (B) and (C) only
- 3. (A), (B), (C) and (D)
- 4. (B), (C) and (D) only

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.11 Which of the following are the ways for the dissolution of a firm?

- (A) Dissolution by Notice
- (B) Dissolution by agreement
- (C) Dissolution by court
- (D) Dissolution by not terminating business

Choose the *correct* answer from the options given below:

- 1. (A), (B) and (C) only
- 2. (A), (C) and (D) only
- 3. (A), (B), (C) and (D)
- 4. (B), (C) and (D) only

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.12 A and B are partners in a firm with their fixed capital Rs 4,00,000 and 5,00,000 respectively. After preparation of accounts, it was found that interest on capital @ 10% p.a as provided by the partnership deed is omitted. In order to rectify the mistake, A's current account will be.....?

- 1. Credited by Rs 5,000.
- 2. Debited by Rs 5,000
- 3. Credited by Rs 10,000
- 4. Debited by Rs 10,000

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.13 Which of the following indicate the situation of compulsory dissolution.

- 1. When a partner becomes insane.
- 2. On the death of a partner
- 3. When the business of the firm becomes illegal.
- 4. When a partner becomes permanently incapable of performing his duties as a partner

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.14 Arrange the steps in proper sequence to calculate Goodwill through Super profits Method.

(A) Calculate the normal profit on the firm's capital on the basis of the normal rate of return.

(B) Calculate the average profit.

(C) Calculate the super profits by deducting normal profit from the average profits.

(D) Multiply super profits by the given number of years purchased.

Choose the correct answer from the options given below:

1. (A), (B), (C), (D)
2. (A), (B), (D), (C)
3. (B), (A), (C), (D)
4. (B), (A), (D), (C)

Options 1. 1

2. 2
3. 3
4. 4

Q.15 X and Y are partners sharing profits in the ratio 3:2. Z is entered into the business for 1/4th share of profits, with the guarantee of minimum profits of 30,000. Profit earned by the business for the year ended March 31st, 2024 is 1,00,000. Amount of deficiency, if any, will be borne by:

1. 5,000 will be borne by X
2. 5,000 will be borne by Y
3. 5,000 will be borne by X and Y in 3:2 ratio
4. 5,000 will be borne by X and Y in equal ratio

Options 1. 1

2. 2
3. 3
4. 4

Q.16

Match List-I with List-II

List-I (Transaction)

- (A) Settlement of Partners Loan
- (B) Transfer of liabilities
- (C) Transfer of Assets
- (D) Remuneration payable to partner

List-II (Relevant account)

- (I) Credit side of Realization A/c
- (II) Partner's Capital will be credited
- (III) Credit Side of Bank A/c
- (IV) Debit Side of Realization A/c

Choose the correct answer from the options given below:

1. (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
2. (A) - (III), (B) - (I), (C) - (IV), (D) - (II)
3. (A) - (II), (B) - (I), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Options 1. 1

2. 2
3. 3
4. 4

Q.17 Which of the following is not a part of capital account under the fixed Capital Method?

1. Permanent Withdrawl from capital
2. Opening Balance of Capital
3. Drawings
4. Additional Capital

Options 1. 1

2. 2
3. 3
4. 4

Q.18 L and M are partners sharing profits in the ratio 3:2. N is admitted as a partner for 1/5th of the share which is acquired from L. Goodwill of the firm is valued at Rs. 40,000 on N's admission. N will have to pay for Goodwill:

1. Rs. 4000 to both L and M
2. Rs. 8000 to L
3. Rs. 8000 to M
4. Rs. 8000 to both L and M

Options 1. 1

2. 2
3. 3
4. 4

Q.19 Part of the subscribed capital which has been called up on the shares, i.e., what the company has asked the shareholders to pay is known as.....

1. Called up capital
2. Issued Capital
3. Subscribed Capital
4. Paid up Capital

Options 1. 1

2. 2
3. 3
4. 4

Q.20 If a delay occurs beyond 8 days from the date of closure of the subscription list in refunding the amount received due to non-fulfillment of the criteria of minimum subscription, the company shall be liable to pay the amount with interest at the rate of:

1. 12%
2. 18%
3. 6%
4. 15%

Options 1. 1

2. 2
3. 3
4. 4

Q.21 Match List-I with List-II

At the time of retirement following transactions took place. Choose the correct treatment.

List-I (Particulars)

(A) Asset taken over by the partner

(B) Increase in Assets

(C) Unrecorded Liability

(D) Goodwill appearing in books

List-II (Treatment)

(I) Debit side of Revaluation A/c

(II) Written off amongst old partners in old ratio

(III) Debit side of Partner's Capital A/c

(IV) Credit side of Revaluation A/c

Choose the correct answer from the options given below:

1. (A) – (III), (B) – (I), (C) – (IV), (D) – (II)
2. (A) – (I), (B) – (II), (C) – (III), (D) – (IV)
3. (A) – (I), (B) – (II), (C) – (IV), (D) – (III)
4. (A) – (III), (B) – (IV), (C) – (I), (D) – (II)

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.22 Which of the following are charges against profits?

- (A) Rent paid to partners
- (B) Interest on loan, paid to partners
- (C) Interest on Capital
- (D) Manager's commission

Choose the *correct* answer from the options given below:

- 1. (A), (B) and (D) only
- 2. (A), (C) and (D) only
- 3. (A), (B), (C) and (D)
- 4. (B), (C) and (D) only

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.23 The debentures which are payable on the expiry of the specific period are

- 1. Perpetual Debentures
- 2. Redeemable Debentures
- 3. Zero coupon rate debentures
- 4. Specific coupon rate debentures

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.24 Ram, a partner, has been assigned the responsibility for realization of assets and settlement of liability for which he will be given remuneration of ₹10,000. He has to bear all the realization expenses. Actual realization expenses are ₹12,000. Journal Entry will be

- 1. Realisation A/C.....Dr. 10,000
 To Ram's Capital A/C 10,000
- 2. Realisation A/C.....Dr. 12,000
 To Ram's Capital A/C 12,000
- 3. Realisation A/C.....Dr. 10,000
 To Bank A/C 10,000
- 4. Realisation A/C.....Dr. 12,000
 To Bank A/C 12,000

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

Q.25 On the admission of a new partner, an increase in the value of assets is debited to:

1. Profit and loss adjustment account
2. Assets account
3. Old Partners Capital Account
4. All partners Capital account

Options 1. 1

2. 2
3. 3
4. 4

Q.26 Section 49, of the Indian Partnership Act 1932, deals with

1. Treatment of losses
2. Application of Assets
3. Provision of Indian Partnership Act 1932
4. Private Debts and Firm's Debts

Options 1. 1

2. 2
3. 3
4. 4

Q.27 'The business of a partnership concern may be carried on by all the partners or any of them acting for all.'

Which feature of partnership is indicated by the above statement?

1. Business
2. Agreement
3. Mutual agency
4. Profit sharing

Options 1. 1

2. 2
3. 3
4. 4

Q.28 Match List-I with List-II

List-I (Particulars)

(A) Issue of debentures as collateral security

(B) Issue of debenture to Public

(C) Issue of debentures to vendor for purchase of an Asset

(D) Writing off Discount/Loss on Issue of Debentures

List-II (Treatment)

(I) Vendor Account will be credited

(II) Debenture Suspense Account will be debited

(III) Statement of Profit and Loss will be debited

(IV) Bank Account will be debited

Choose the correct answer from the options given below:

1. (A) – (I), (B) – (II), (C) – (IV), (D) – (III)
2. (A) – (I), (B) – (II), (C) – (III), (D) – (IV)
3. (A) – (II), (B) – (IV), (C) – (I), (D) – (III)
4. (A) – (II), (B) – (IV), (C) – (III), (D) – (I)

Options 1. 1

2. 2
3. 3
4. 4

Q.29 Abhiram and Ragini are partners sharing profits in the ratio of 3:2. They admit Arun a new partner for 1/5th share in the future profits of the firm which he gets equally from Abhiram and Ragini. Calculate the new profit sharing ratio of Abhiram, Ragini and Arun.

1. 5:2:3
2. 5:3:2
3. 2:3:5
4. 4:3:3

Options 1. 1

2. 2
3. 3
4. 4

Q.30 Naveen, Suresh and Tarun are partners sharing profits and losses in the ratio of 5:3:2. Tarun retires from the firm and his share was taken over by Naveen and Suresh in the ratio 2:1. In such a case, the new profit sharing ratio will be:

1. 11:17
2. 19:11
3. 11:19
4. 11:12

Options 1. 1

2. 2
3. 3
4. 4

Q.31 In the case of guarantee of profit the Sequence of steps to be Followed are.

- (A) divide the profit in the given ratio.
- (B) prepare profit and loss appropriation account as usual.
- (C) deduct the deficiency from the guaranteeing partner and add the same to guaranteed partner.
- (D) find the deficiency.

Choose the correct answer from the options given below:

1. (A), (B), (C), (D)
2. (A), (B), (D), (C)
3. (B), (A), (D), (C)
4. (C), (B), (D), (A)

Options 1. 1

2. 2
3. 3
4. 4

Q.32 In the case of fixed capital method, following two accounts are maintained.

1. Capital account and Balance sheet
2. Current account and Balance sheet
3. Capital account and Current account
4. Revaluation and Capital account

Options 1. 1

2. 2
3. 3
4. 4

Q.33 While doing adjustment of partners capital, for the amount of capital to be brought in by the partner, the following entry will be passed:

1. Bills payable A/c Dr.
 To Partners' Capital A/c
2. Partners' Capital A/c Dr.
 To Cash / Bank A/c
3. Partners' Capital A/c Dr.
 To Bills payable A/c

4. Cash / Bank A/c Dr.
To Partners' Capital A/c

- Options 1. 1
2. 2
3. 3
4. 4

Q.34 For distribution of profits among the partners, the following account is debited to the partners:

1. Profit and Loss Appropriation A/c
2. Partner's Capital A/c
3. Goodwill A/c
4. Profit and Loss A/c

- Options 1. 1
2. 2
3. 3
4. 4

Q.35 Share of loss of deceased partner, calculated on the basis of previous years profit is

1. Credited to his capital account.
2. Debited to his capital account.
3. Debited to profit and loss suspense account.
4. Debited to profit and loss account.

- Options 1. 1
2. 2
3. 3
4. 4

Q.36 If the asset is taken over by the creditor in lieu of the amount due to him, then the journal entry will be:

1. Creditor A/C...Dr.
To Realisation A/C
2. Realisation A/C...Dr.
To Creditor A/C
3. No entry
4. Realisation A/C...Dr.
To Asset A/C

- Options 1. 1
2. 2
3. 3
4. 4

Q.37 According to Section of the partnership Act 1932, the dissolution of partnership between all the partners of a firm is called the dissolution of the firm.

- 1.36
- 2.37
- 3.38
- 4.39

- Options 1. 1
2. 2
3. 3
4. 4

Q.38 There must be an interval of how many months between the making of two calls unless otherwise provided by the articles of association of the company.

1. 15 days

2. atleast three months
3. atleast two months
4. atleast one month

Options 1. 1

2. 2
3. 3
4. 4

Q.39 Which of the following is not a feature of a partnership deed?

1. Partnership deed can be oral
2. Partnership deed can be in writing
3. Partnership deed helps to resolve disputes
4. Partnership deed can be presented as evidence in court

Options 1. 1

2. 2
3. 3
4. 4

Q.40 Which company must have at least two members?

1. Public company
2. OPC
3. Private Company
4. Holding company

Options 1. 1

2. 2
3. 3
4. 4

Q.41 The assets of the firm, including any sum contributed by the partners to make deficiencies of capital, shall be applied first for paying.....

1. Each partner proportionately for any advances made to firm.
2. Debts of the firm to the third parties
3. Paying partners proportionately for their capital balances.
4. Partners in their profit sharing ratio.

Options 1. 1

2. 2
3. 3
4. 4

Q.42 It is to be noted that 'minimum subscription' of capital cannot be less than..... of the issued amount according to SEBI Guidelines (Disclosure and Investor Protection)

1. 60%
2. 90%
3. 75%
4. 10%

Options 1. 1

2. 2
3. 3
4. 4

Q.43 On the dissolution of a firm, creditors is transferred to:

1. Cash Account
2. Bank Account
3. Realisation Account
4. Partners Capital Account

Options 1. 1

2. 2
3. 3
4. 4

Q.44 A and B are partners without any partnership deed. B has given loan of Rs 2,00,000 to the firm on 1st July 2023. B claim interest on loan @10% p.a. How much interest on loan will be paid to B for the year ending on 31st March 2024.?

1. Rs 20,000
2. Rs 12,000
3. Rs 9,000
4. Rs.6,000

- Options 1. 1
2. 2
 3. 3
 4. 4

Q.45 Goodwill can also be ascertained by capitalising the super profit directly under which method?

1. Super Profit Method
2. Average Profit Method
3. Weighted Average Profit method
4. Capitalisation of Super Profit Method

- Options 1. 1
2. 2
 3. 3
 4. 4

Section : Analysis of Financial Statements

Q.46 Employee benefit Expenses doesn't include

1. Salary and wages in Kind
2. Leave encashment
3. Interest paid on Deposit
4. Staff welfare expenses

- Options 1. 1
2. 2
 3. 3
 4. 4

Q.47 Match List-I with List-II

List-I (Ratio)

(A) Current Ratio

(B) Operating Margin Ratio

(C) Return on Capital Employed

(D) Price Earning Ratio

List-II (Formula)

(I) Market Price of a share / EPS

(II) Current Assets / Current Liabilities

(III) 100 – Operating Ratio

(IV) Profit before interest and tax / Capital employed × 100

Choose the correct answer from the options given below:

1. (A) – (I), (B) – (II), (C) – (III), (D) – (IV)
2. (A) – (II), (B) – (III), (C) – (IV), (D) – (I)
3. (A) – (I), (B) – (II), (C) – (IV), (D) – (III)
4. (A) – (III), (B) – (IV), (C) – (I), (D) – (II)

- Options 1. 1
2. 2
 3. 3
 4. 4

Q.48 The standard Debt-Equity ratio is

1. 2:1
2. 1:1
3. 1:2
4. 4:1

Options 1. 1

2. 2
3. 3
4. 4

Q.49 Profit after tax and interest is Rs 1,60,000.

Tax rate is 20%

10% long term borrowing is Rs 20,00,000

Find profit before tax and after interest

1. 4,00,000
2. 3,00,000
3. 2,00,000
4. 1,50,000

Options 1. 1

2. 2
3. 3
4. 4

Q.50 The ideal quick ratio is

1. 2:1
2. 1:1
3. 3:1
4. 1:2

Options 1. 1

2. 2
3. 3
4. 4

Section : Computerized Accounting Systems

Q.51 Which of the following correctly represents the five foundational components of a Computerised Accounting System (CAS)?

1. Data, Report, Coding, Hardware, Output
2. People, Data, Procedure, Hardware, Software
3. Software, Hardware, Network, Output, Input
4. People, Network, Procedure, Analysis, Report

Options 1. 1

2. 2
3. 3
4. 4

Q.52 Which of the following is not a feature of CAS ?

1. Scalability
2. Accuracy and speed
3. Durability
4. Reliability

Options 1. 1

2. 2
3. 3

Q.53 Why is proper classification of data necessary in a growing business using a Computerised Accounting System?

1. To reduce the number of accounts
2. To maintain manual ledgers efficiently
3. To manage an increasing volume of transactions systematically
4. To eliminate the use of accounting equations

Options 1. 1

2. 2
3. 3
4. 4

Q.54 The feature of CAS that ensures better planning and access to vital information, leading to improved daily business operations, is:

1. Reliability
2. Transparency and Control
3. Accuracy and Speed
4. Scalability

Options 1. 1

2. 2
3. 3
4. 4

Q.55 Which of the following correctly represents the sequence of steps in the accounting cycle, as followed in both manual and computerised accounting systems?

1. Posting to ledger, Analyzing transactions, Preparing financial statements
2. Analyzing transactions, Journalizing, Posting to ledger, Preparing trial balance, Adjustments, Adjusted trial balance, Financial statements
3. Preparing balance sheet, Recording transactions, Preparing journal, Posting adjustments
4. Posting adjustments, Trial balance, Journalizing, Preparing financial statements

Options 1. 1

2. 2
3. 3
4. 4