

FINAL ANSWER KEY

Paper: Elements of Commercial Accounts Book Keeping (Paper III)
Date of Test 31-10-2020

Question1:-Material costing Rs. 15,000 in the erection of the machinery and wages paid for it amounting to Rs. 3,000 should be debited to

- A:-Material cost
- B:-Wages account
- C:-Purchases account
- D:-Machinery account

Correct Answer:- Option-D

Question2:-Which of the following is correct?

- A:-Capital is equal to assets minus liabilities
- B:-Capital is equal to assets plus liabilities
- C:-Assets are equal to liabilities minus capital
- D:-Liabilities are equal to capital plus assets

Correct Answer:- Option-A

Question3:-The main cause of depreciation include

- A:-Physical wear and tear
- B:-Passage of time
- C:-Change in technology
- D:-All of the above

Correct Answer:- Option-D

Question4:-Which of the following is not a contingent liability?

- A:-Claims against the firm not acknowledged as debt
- B:-Amount due to trade creditors which is not disputed
- C:-Bills discounted from bank
- D:-Garantees given in respect of third parties

Correct Answer:- Option-B

Question5:-Cost of goods sold Rs. 70,000, Sales Rs. 2,30,000, Gross Profit will be

- A:-Rs. 1,59,400
- B:-Rs. 1,59,000
- C:-Rs. 1,60,000
- D:-Rs. 3,00,000

Correct Answer:- Option-C

Question6:-Onam advance given to employees is _____

- A:-Capital expenditure
- B:-Revenue expenditure
- C:-Deferred revenue expenditure
- D:-Not an expenditure

Correct Answer:- Option-D

Question7:-At the end of the accounting period the provision is made for the amount outstanding for the Electricity that has been consumed during the said period. This statement is based on

- A:-Accrual concept
- B:-Matching
- C:-Realisation
- D:-Money measurement

Correct Answer:- Option-A

Question8:-Nominal account is governed by following rules

- A:-Debit what comes in, credit what goes out
- B:-Debit all expenses and losses, credit all income and gain
- C:-Debit the receiver, credit the giver
- D:-None of the above

Correct Answer:- Option-B

Question9:-_____ is a documentary evidence in support of a transaction that is entered in a book of account.

- A:-Journal entry
- B:-Ledger
- C:-Voucher
- D:-None of the above

Correct Answer:- Option-C

Question10:-Identify the error in the following ledger balance

Sl.No.	Accounts heads	Debit (Rs.)	Credit (Rs.)
1	Sales		42,500
2	Purchases	20,000	
3	Miscellaneous expenses		5,000

- A:-Wrong placing of sales account
- B:-Incorrect tallying
- C:-Wrong placing of miscellaneous expense account
- D:-Wrong placing of all account

Correct Answer:- Option-C

Question11:-Opening Balance of Loan @ 9% is Rs. 1,00,000, Interest on loan in Trial Balance is Rs. 6,000. Outstanding interest on loan will be

- A:-Rs. 3,000
- B:-Rs. 2,500
- C:-Rs. 3,500
- D:-None of the above

Correct Answer:- Option-A

Question12:-When balance as per cash book is the starting point dividend collected by bank is?

- A:-Added in the bank reconciliation statement
- B:-Subtracted in the bank reconciliation statement
- C:-Not to be adjusted in bank reconciliation statement
- D:-None of the above

Correct Answer:- Option-A

Question13:-Cash book does not record

- A:-Credit purchases
- B:-Depreciation

- C:-Outstanding expenses
 - D:-All of the above
- Correct Answer:- Option-D

Question14:-Average stock = Rs. 1,20,000. Closing stock is Rs. 30,000 more than opening stock. The value of closing stock will be

- A:-Rs. 1,40,000
- B:-Rs. 1,20,000
- C:-Rs. 1,05,000
- D:-Rs. 1,35,000

Correct Answer:- Option-D

Question15:-In the ledger an account shows credit balance at the end of the year. This balance is shown as

- A:-By balance c/d on the credit side
- B:-To balance b/d on the debit side
- C:-To balance c/d on the debit side
- D:-By balance b/d on the credit side

Correct Answer:- Option-C

Question16:-'A' purchased goods of Rs. 10,000 for cash at 20% trade discount and 5% cash discount. Purchases a/c is to be debited by Rs.

- A:-10,000
- B:-8,000
- C:-7,600
- D:-7,500

Correct Answer:- Option-B

Question17:-An amount to Rs. 50,000 was paid on 30/3/18 for advertisement in a newspaper. This was published in the news paper on 3/4/18. This expenditure will be shown as _____

- A:-Prepaid expenses on assets side of balance sheet as on 31/3/18
- B:-Liability in the balance sheet as on 30/3/18
- C:-An expenses in the P & A/c for the year ended 31/3/18
- D:-Liability in the balance sheet as on 31/03/2018

Correct Answer:- Option-A

Question18:-Prepaid insurance given on trial balance is recorded in

- A:-Trading account
- B:-Profit and loss account
- C:-Balance sheet
- D:-None of the above

Correct Answer:- Option-C

Question19:-_____ appear as foot note below the balance sheet.

- A:-fictitious assets
- B:-contingent liabilities
- C:-current liabilities
- D:-current assets

Correct Answer:- Option-B

Question20:-If the total assets of the firm is Rs. 10,00,000 and the outside liabilities is Rs. 8,60,000, then the capital contributed by the owner would be

- A:-Rs. 1,40,000
- B:-Rs. 18,60,000
- C:-Rs. 1,60,000
- D:-None of the above

Correct Answer:- Option-A

Question21:-Which of the following is a current asset?

- A:-Plant and Machinery
- B:-Furniture
- C:-Land and Building
- D:-Bill Receivable

Correct Answer:- Option-D

Question22:-Purpose of accommodation bill is

- A:-To facilitate trade transaction
- B:-When both parties are in need of fund
- C:-Provide loan for actual purchases or sales of goods
- D:-All of the above

Correct Answer:- Option-B

Question23:-Trial Balance does not check

- A:-Valuation of liabilities
- B:-Valuation of assets
- C:-Both (1) and (2)
- D:-Arithmetical accuracy of books of accounts

Correct Answer:- Option-C

Question24:-Cash column in Cash book always has

- A:-Credit balance
- B:-Debit balance
- C:-Both (1) and (2)
- D:-None of the above

Correct Answer:- Option-B

Question25:-Which of the following is non cash expense?

- A:-Depreciation
- B:-Salary paid
- C:-Rent paid
- D:-Electricity charges

Correct Answer:- Option-A

Question26:-Goods destroyed by fire Rs. 1,00,000 and insurance company admitted 50% claim. The loss on insurance claim will be entered in

- A:-Balance Sheet
- B:-Trading
- C:-Profit & Loss Account
- D:-All of the above

Correct Answer:- Option-C

Question27:-Which of the following errors will affect the trial balance?

- A:-Repairs to Motor Plant wrongly debited to Motor Plant account
- B:-Total Purchase journal is short by Rs. 45,000
- C:-Wages paid on purchases of new motor plant debited to wages account
- D:-None of the above

Correct Answer:- Option-B

Question28:-Cash discount allowed to debtors should be credited to

- A:-Debtors A/c
- B:-Purchases A/c
- C:-Discount A/c
- D:-Sales A/c

Correct Answer:- Option-A

Question29:-Which is a false statement?

- A:-Any item credited in the pass book when there is over draft, increases the overdraft
- B:-Pass book is a true copy of customers account kept by bank
- C:-Overdraft indicates credit balance in the cashbook
- D:-Bank reconciliation statement is prepared by the account holder

Correct Answer:- Option-A

Question30:-Which of the following should not be charged in trading account?

- A:-Direct Materials
- B:-Work in progress
- C:-Carriage on raw materials
- D:-Office Rent

Correct Answer:- Option-D

Question31:-Income and expenditure account is prepared by _____

- A:-Trader
- B:-Manufacturer
- C:-Clubs and charitable institutions
- D:-Wholesaler

Correct Answer:- Option-C

Question32:-Endorsement, Discounting and Collection of bill of exchange is made by

- A:-Debtors
- B:-Creditors
- C:-Drawee
- D:-Drawer

Correct Answer:- Option-D

Question33:-All expenditure of revenue nature go to

- A:-Trading A/c
- B:-P & L A/c
- C:-Either (1) or (2)
- D:-Balance Sheet

Correct Answer:- Option-C

Question34:-Which of the following is credit transaction?

- A:-Sold goods
- B:-Sold goods for cash
- C:-Sold goods to Ram for cash
- D:-Sold goods to Ram

Correct Answer:- Option-D

Question35:-If bill of exchange will mature on 15th August but it is a public holiday then the bill will mature on

- A:-15th August
- B:-16th August
- C:-14th August
- D:-18th August

Correct Answer:- Option-C

Question36:-Net salary paid to employee Rs. 80,000 in cash after deducting income tax Rs. 8,000 and professional tax Rs. 2,500. Amount debited to salary account will be

- A:-Rs. 80,000
- B:-Rs. 88,000
- C:-Rs. 82,500
- D:-Rs. 90,500

Correct Answer:- Option-D

Question37:-Noting charges are paid at the time of

- A:-Renewal of bill
- B:-Retirement of Bill
- C:-Dishonour of Bill
- D:-None of the three

Correct Answer:- Option-C

Question38:-Credit balance in the ledger will be

- A:-A revenue or an asset
- B:-A revenue or liabilities
- C:-Expenses or an asset
- D:-Expenses or liability

Correct Answer:- Option-B

Question39:-Closing entry for net profit Rs. 6,300 to the capital Account will be

- A:-Trading account Rs. 6,300 Dr. To Balance sheet Rs. 6,300
- B:-Trading account Rs. 6,300 Dr. To P & L Rs. 6,300
- C:-P & L account Rs. 6,300 Dr. To Capital account Rs. 6,300
- D:-Capital Account Rs. 6,300 Dr. To P & L A/c Rs. 6,300

Correct Answer:- Option-C

Question40:-Personal accounts relate to

- A:-Machinery, Cash account, Rent account
- B:-Person, Trade, Receivables, or Trade payables
- C:-Expenses, Losses, Gains, Revenue etc
- D:-Assets of firm but not debt

Correct Answer:- Option-B

Question41:-A bill of exchanges is called _____ by one who is liable to pay it on the maturity date.

- A:-Bill receivable
- B:-Noted bill of exchange
- C:-Bill payable
- D:-Discounted

Correct Answer:- Option-C

Question42:-Narration is given along with journal entry

- A:-To signify the entry on profitability
- B:-To disclose the profit or loss of a transaction
- C:-To secretly understand the inner meaning of the transaction
- D:-To give precise explanation for proper understanding the entry

Correct Answer:- Option-D

Question43:-Which of the following will not be included in acquisition of machinery?

- A:-Purchase price of machinery
- B:-Installation of expenses
- C:-Annual Maintenance charges
- D:-Delivery charges of the machinery

Correct Answer:- Option-C

Question44:-A truck was purchased and after some time, the name of the company was painted on it for advertisement purpose for Rs. 20,000 this is

- A:-Capital expenditure
- B:-Revenue Expenditure
- C:-Deferred Revenue Expenditure
- D:-None of the above

Correct Answer:- Option-B

Question45:-Prepaid expenses of financial year relate with

- A:-Following financial year
- B:-Previous financial year
- C:-Current year
- D:-None

Correct Answer:- Option-A

Question46:-Only real and personal accounts are shown in

- A:-Trial Balance
- B:-Trading A/c
- C:-Profit & Loss A/c
- D:-Balance sheet

Correct Answer:- Option-D

Question47:-Closing stock of previous year is over valued by Rs. 50,000. Due to this

- A:-Previous year's profit is overstated and current year's profit is understated
- B:-Previous year's profit is understated and current year's profit is overstated
- C:-Previous year's profit is overstated and current year's profit is overstated
- D:-Previous year's profit is understated and current year's profit is understated

Correct Answer:- Option-A

Question48:-A surplus of revenue over its cost is known as _____ of the business on a particular year.

- A:-Capital
- B:-Profit
- C:-Asset
- D:-Loss

Correct Answer:- Option-B

Question49:-Net profit before the following adjustments - Rs. 4,80,000 Prepaid rent Rs. 20,000 Outstanding salary - Rs. 40,000, Adjusted Net profit is

- A:-Rs. 4,80,000
- B:-Rs. 5,40,000
- C:-Rs. 4,20,000
- D:-Rs. 4,60,000

Correct Answer:- Option-D

Question50:-Which of the following types of errors are not detected during Bank Reconciliation?

- A:-Cash embezzlement by cashier
- B:-Cheques deposited but not credited by bank
- C:-Cashing mistakes in bank column of Cash Book
- D:-Interest charged by the Bank not accounted in cash book

Correct Answer:- Option-A

Question51:-Selling and Distribution expenses does not comprise of

- A:-Godown rent
- B:-Bad debt
- C:-Carriage Inward
- D:-Insurance for stock of finished goods

Correct Answer:- Option-C

Question52:-Bonus given to employees is recorded in

- A:-Profit & Loss Appropriation A/c
- B:-Profit & Loss A/c
- C:-Balance Sheet
- D:-Trading A/c

Correct Answer:- Option-B

Question53:-_____ is the summary of all assets and liabilities on a particular year.

- A:-Trial Balance
- B:-Balance Sheet
- C:-Fund Flow Statement
- D:-Profit & Loss A/c

Correct Answer:- Option-B

Question54:-Amount spent on increasing the seating capacity in a cinema hall is

- A:-Capital Expenditure
- B:-Revenue Expenditure
- C:-Deferred Revenue Expenditure
- D:-None

Correct Answer:- Option-A

Question55:-If closing stock appears in the Trial Balance then it appears in

- A:-Trading Account
- B:-Profit & Loss Account
- C:-Balance Sheet
- D:-Profit & Loss Appropriation

Correct Answer:- Option-C

Question56:-Three column cash book records

- A:-Only cash transaction
- B:-All transactions
- C:-Cash, Bank discount transactions
- D:-Cash purchases and cash sale transactions

Correct Answer:- Option-C

Question57:-A sends goods to B on consignment, but 10% of the goods were lost in transit. Such loss will be borne by

- A:-Consignee
- B:-Consignor
- C:-Both (1) and (2)
- D:-Insurance company

Correct Answer:- Option-B

Question58:-What will be the treatment of 'accrued income' if appearing in the Trial Balance?

- A:-It will be shown on the assets side as current assets in the Balance Sheet
- B:-It will be shown on the liability side as current liability in the Balance Sheet
- C:-It will be shown on the debit side of the trading account as an expense
- D:-It will be shown on the debit side of the Profit and Loss account as an income

Correct Answer:- Option-A

Question59:-_____ is sent to a customer when he returns goods.

- A:-Debit Note
- B:-Credit Note
- C:-Proforma Invoice
- D:-None of the above

Correct Answer:- Option-B

Question60:-The fixed asset of a company is double the current assets and half of the capital. If the current assets are Rs. 4,00,000 and Investment Rs. 5,00,000. Calculate current liabilities assuming that there are no other items in Balance Sheet

- A:-Rs. 1,00,000
- B:-Rs. 2,00,000
- C:-Rs. 3,00,000
- D:-Rs. 4,00,000

Correct Answer:- Option-A

Question61:-Favourable balance as per Cash Book means

- A:-Credit Balance in bank column of Cash Book
- B:-Nil balance in Pass Book
- C:-Debit balance in Pass Book
- D:-Debit Balance in bank column of Cash Book

Correct Answer:- Option-D

Question62:-Legal expenses incurred in defending a suit for breach of contract to supply of goods is at

- A:-Revenue expenditure
- B:-Capital expenditure
- C:-Deferred Revenue expenditure
- D:-None of the above

Correct Answer:- Option-A

Question63:-Goods are distributed as free samples worth Rs. 60,000 for advertisement purpose. Which of the following journal entry would be passed

- A:-Purchases Dr Rs. 60,000 to Advertisement Rs. 60,000
- B:-Advertisement Dr Rs. 60,000 To Purchases Rs. 60,000
- C:-Advertisement Dr Rs. 60,000 To Sales Rs. 60,000
- D:-Sales Dr Rs. 60,000 To Purchases Rs. 60,000

Correct Answer:- Option-B

Question64:-Depletion method of charging depreciation is adopted for which of the following assets

- A:-Buildings
- B:-Wasting assets like mines and quarries
- C:-Plant and machinery
- D:-Vehicles

Correct Answer:- Option-B

Question65:-If the debit and credit aspects of a transaction are recorded in the cash book it is a

- A:-Contra Entry
- B:-Double Entry
- C:-Single Entry
- D:-Combined Entry

Correct Answer:- Option-A

Question66:-If repair cost is Rs. 50,000, white wash expenses are Rs. 25,000 cost of extension of building is Rs. 50,00,000 and cost of improvement in electrical wiring system is Rs. 25,800, then amount of revenue expenses is

- A:-Rs. 50,000
- B:-Rs. 51,00,800
- C:-Rs. 75,000
- D:-Rs. 50,25,800

Correct Answer:- Option-C

Question67:-Petty Cash may be used to pay

- A:-For the purchase of Furniture and fixtures
- B:-For the purchase of raw material
- C:-Salary to Administrative Unit
- D:-Expenses relating to postage and conveyance

Correct Answer:- Option-D

Question68:-Salary due for the month of March will appear _____ in the Cash Book.

- A:-On the receipt side
- B:-On the payment side

- C:-As Contra entry
- D:-No where

Correct Answer:- Option-D

Question69:-Mr. A purchased an old building worth Rs. 30 lakhs. He demolished the building for the purpose of constructing factory on the same site. Demolition cost was Rs. 1 lakhs. Construction cost of factory was Rs. 50 lakhs. Capital expenditure was

- A:-Rs. 81 lakhs
- B:-Rs. 80 lakhs
- C:-Rs. 50 lakhs
- D:-Rs. 51 lakhs

Correct Answer:- Option-A

Question70:-For preparing Bank Reconciliation statement, the documents/statements required are

- A:-Bank statement
- B:-Cash column of Cash Book and Bank Statement
- C:-Bank and cash column of Cash Book
- D:-Bank column of Cash Book and Bank Statement

Correct Answer:- Option-D

Question71:-Endorsement of bill means

- A:-Transfer of right on the bill from drawee to the creditor
- B:-Transfer of right on the bill from drawer to the creditor
- C:-Transfer of right on the bill from creditor to the drawee
- D:-Transfer of right on the bill from creditor to the drawer

Correct Answer:- Option-B

Question72:-It is generally assumed that the business will not liquidate in the near foreseeable future because of

- A:-Periodicity
- B:-Materiality
- C:-Matching
- D:-Going concern

Correct Answer:- Option-D

Question73:-A bill of exchange when drawn requires

- A:-Noting
- B:-Discounting
- C:-Acceptance
- D:-Endorsement

Correct Answer:- Option-C

Question74:-Purchases returns appearing in trial balance are deducted from

- A:-Sales returns
- B:-Capital
- C:-Sales
- D:-Purchases

Correct Answer:- Option-D

Question75:-The trial balance of X shows the opening inventory of Rs. 1,00,000 which will be

- A:-Debited to the trading account
- B:-Credited to the trading account
- C:-Added to closing inventory in Balance Sheet
- D:-Deducted from closing inventory in the Balance Sheet

Correct Answer:- Option-A

Question76:-The Accountant of m/s XY paid personal income tax for proprietor amounting to Rs. 20,000. This income tax should be

- A:-Added to capital
- B:-Credited to profit and loss account
- C:-Debited to Trading account
- D:-Deducted from Capital

Correct Answer:- Option-D

Question77:-X drew bill on Y of Rs. 1,00,000 for 2 months for mutual accommodation. It was decided that the proceeds will be shared equally amongst them. How much amount will be received by Y, if bill was discounted @ 12%

- A:-Rs. 98,000
- B:-Rs. 50,000
- C:-Rs. 51,000
- D:-Rs. 49,000

Correct Answer:- Option-D

Question78:-A cheque of Rs. 50,000 received by A was endorsed to B on account of full settlement of Rs. 50,500 on 1st October 2018. In the books of B, the account to be debited on 1.10.2018 will be

- A:-Cash account Rs. 50,000 and Discount account Rs. 500
- B:-Bank account Rs. 50,000 and Discount account Rs. 500
- C:-Cash account Rs. 50,500
- D:-Bank account Rs. 50,500

Correct Answer:- Option-B

Question79:-A purchase of Rs. 10,000 from A recorded in Sales book would affect

- A:-Sales
- B:-Purchases account
- C:-Purchases Returns account
- D:-Sales account, Purchases account and A's account

Correct Answer:- Option-D

Question80:-The amount of dishonoured bill has been wrongly debited to general expenses account, which type of error has been committed

- A:-Error of principle
- B:-Error of omission
- C:-Compensating error
- D:-Error of commission

Correct Answer:- Option-A

Question81:-Periodical statement sent by the consignee to consignor is known as

- A:-Proforma Invoice
- B:-Account sale
- C:-Bill of exchange
- D:-Hundi

Correct Answer:- Option-B

Question82:-Capital brought in by proprietor is example of

- A:-Increase in asset and increase in liability
- B:-Increase in liability and decrease in asset
- C:-Increase in asset and decrease in liability
- D:-Increase in one asset and decrease in another asset

Correct Answer:- Option-A

Question83:-Balance of Petty cash is

- A:-Expenses
- B:-Income
- C:-Liability
- D:-Asset

Correct Answer:- Option-D

Question84:-A purchased a car for Rs. 4,00,000 making a down payment of Rs. 1,00,000 and signing Rs. 3,00,000 bill payable due in 60 days. As a result of this transaction

- A:-Total Asset increased by Rs. 4,00,000
- B:-Total Liabilities increased by Rs. 3,00,000
- C:-Total Asset increased by Rs. 3,00,000
- D:-Total Asset increased by Rs. 3,00,000 and liability increased by Rs. 3,00,000

Correct Answer:- Option-D

Question85:-At the end of accounting year all the nominal accounts of the Ledger Book

- A:-Balanced and transferred to Balance Sheet Account
- B:-Balanced and balance is transferred to Profit & Loss Account
- C:-Not Balanced and balance is transferred to Profit & Loss Account
- D:-Not Balanced and their balance is transferred to Profit & Loss Account

Correct Answer:- Option-C

Question86:-If stock of Rs. 1,00,000 is left with consignee at the end of the year then it will be credited to

- A:-P & L a/c
- B:-Consignment A/c
- C:-Trading A/c
- D:-P & L appropriation A/c

Correct Answer:- Option-B

Question87:-Journal entry for Rs. 5,000 stolen from the safe of M/s ABC will be

- A:-Debit profit and loss account and credit cash embezzlement Rs. 5,000
- B:-Debit cash embezzlement account and credit cash Rs. 5,000
- C:-Debit cash account and credit profit and loss account Rs. 5,000
- D:-Debit cash account and credit cash embezzlement Rs. 5,000

Correct Answer:- Option-B

Question88:-The revenue from the transaction of consignment sales is recognized

- A:-When the goods are sold to customers by the consignee
- B:-When the goods are sent to consignee
- C:-When signor receives the payment from the consignee
- D:-When the advance against delivery is received by signor

Correct Answer:- Option-A

Question89:-_____ method is used when expenditure on repairs and Maintenance goes on increasing as the machine grows old.

- A:-Straight line method
- B:-Machine hours method
- C:-Reducing Balance method
- D:-Sinking Fund Method

Correct Answer:- Option-C

Question90:-On 31.3.2016, the balance of the bank book is Rs. 67,074 (Credit) and balance as per pass book statement is Rs. 23,159 (Debit). On scrutiny, it was found that the difference was due to Cheques issued but yet not presented for payment. The bank balance as on 31.3.2016 will be shown in the Balance Sheet as

- A:-As bank Overdraft Rs. 23,159
- B:-As Cash at Bank Rs. 67,074
- C:-As Bank Overdraft Rs. 67,074
- D:-As Cash at Bank Rs. 23,159

Correct Answer:- Option-C

Question91:-On 1st April, X sold goods worth Rs. 10,000 to Y. Y drew a bill for 3 months. X discounted the bill from the Bank at 15% p.a., then the amount received on account of the bill will be

- A:-Rs. 10,000
- B:-Rs. 9,625
- C:-Rs. 9,000
- D:-Rs. 8,500

Correct Answer:- Option-B

Question92:-Opening Debtors Rs. 15,000, Bad debt during year Rs. 14,000, Cash received from debtors Rs. 1,60,000, Closing debtors - Rs. 7,000, and cash sales Rs. 20,000. Then total sales will be

- A:-Rs. 1,86,000
- B:-Rs. 1,66,000
- C:-Rs. 1,80,000
- D:-Rs. 1,60,000

Correct Answer:- Option-A

Question93:-On 31st March, 2018 X has loan of Rs. 5,00,000 and trade Creditors of Rs. 8,00,000, Fixed assets of Rs. 7,20,000, Stock Rs. 9,00,000 and cash in hand Rs. 6,00,000. If he had started business on April 1, 2017 with capital of Rs. 5,00,000. Compute profit earned by X for year 2017 - 18

- A:-Rs. 5,20,000
- B:-Rs. 17,20,000
- C:-Rs. 4,20,000
- D:-Rs. 9,20,000

Correct Answer:- Option-C

Question94:-Salaries paid in cash Rs. 2,00,000. It includes previous year's outstanding Rs. 10,000 and salary paid in advance for next year Rs. 20,000 Salary outstanding for the year is Rs. 15,000. The amount of salary to be debited in Profit and Loss Account is

- A:-Rs. 2,25,000
- B:-Rs. 1,85,000
- C:-Rs. 2,05,000
- D:-Rs. 1,75,000

Correct Answer:- Option-A

Question95:-Transactions of M/s ABC for the period 1.04.2017 to 31.03.2018 are as follows :

Direct expenses Rs. 40,000, Sales Rs. 4,50,000, Purchases Rs. 3,00,000, Stock as on 1.04.2018 Rs. 1,80,000. Rate of Gross profit on sales @ 10%.

The value of closing stock as on 31.03.2018

- A:-Rs. 2,40,000
- B:-Rs. 1,45,000
- C:-Rs. 1,65,000
- D:-Rs. 1,15,000

Correct Answer:- Option-D

Question96:-Original cost = Rs. 1,26,000, Salvage Value = Rs. 6,000, Useful life = 5 years. Annual depreciation under SLM will be

- A:-Rs. 21,000
- B:-Rs. 29,000
- C:-Rs. 25,200
- D:-Rs. 24,000

Correct Answer:- Option-D

Question97:-Opening Stock Rs. 85,000, Purchases Rs. 30,07,000, Direct expenses Rs. 40,000, Indirect expenses Rs. 60,200, Closing stock Rs. 1,00,000 Cost of Goods sold

- A:-Rs. 30,00,000
- B:-Rs. 30,32,000
- C:-Rs. 30,80,200
- D:-Rs. 39,52,200

Correct Answer:- Option-B

Question98:-The capital introduced in beginning by Mr. A Rs. 4,00,000. Further capital introduced during the year Rs. 1,00,000. Drawings Rs. 25,000 per month and closing balance of capital account is Rs. 5,36,000. The amount of profit or loss for the year is

- A:-Rs. 2,36,000 profit
- B:-Rs. 50,000 loss
- C:-Rs. 3,36,000 profit
- D:-Rs. 61,000 profit

Correct Answer:- Option-C

Question99:-The abstract of Account Balances of 'ABC' is given below :

Accounts payable	68,000	Long Term loan	30,000
Capital	2,00,000	Wages payable	1,20,000
Cash in hand	1,24,000	Investments	4,000
Cash at bank	2,90,000	Bill receivable	80,000
Inventories	16,000	Net profit	96,000

Total Balance Sheet will be _____

- A:-Rs. 5,14,000
- B:-Rs. 6,80,000
- C:-Rs. 5,60,000
- D:-Rs. 5,34,000

Correct Answer:- Option-A

Question100:-Overdraft as per pass book is given Rs. 10,000

(i) Cheque deposited in the bank but not recorded in the cash book is given as Rs. 4,000

(ii) Cheques drawn but not presented for payment Rs. 6,000

(iii) Bank charges recorded twice in cash book Rs. 300

Then Overdraft as per Cash book will be

- A:-Rs. 20,000
- B:-Rs. 20,300
- C:-Rs. 15,000
- D:-Rs. 14,000

Correct Answer:- Option-B