FILL IN THE BLANKS:

1) Net Profit is transferred from Profit and loss account to ________ account.
2) Closing stock is valued at Cost Price or ________ price whichever is lower.
3) Outstanding expenses are shown on the ________ side of the balance sheet.
4) Prepaid expenses are shown on the ________ side of the balance sheet.
5) Income accrued but not received will be shown on the ________ side of the balance sheet.
6) Income received in advance will be shown on the ________ side of the balance sheet.
7) Interest on capital is debited to ________ account.
8) Interest on drawings is added to ________ account.
9) Income received in advance will be shown on the ________ side of the balance sheet.
10) Depreciation is deducted from the concerned ________ in the Balance sheet.
11) Provision for Bad and Doubtful debts is deducted from ________ in the Balance sheet.
12) Provision for discount on creditors is deducted from ________ in the Balance sheet.
13) Debts which are not recoverable from Sundry debtors are termed as ________.
14) Incomplete records are those records which are not kept under ________ system.
15) Statement of affairs method is also called as ________ method.
16) ________ capital can be found by preparing a statement of affairs at the beginning of the year.
17) A statement of affairs resembles a ________.
18) Closing capital can be found by preparing a statement of affairs at the ________ of the year.
19) In ________ system, only personal and cash accounts are opened.
20) Credit purchase can be ascertained as the balancing figure in the ________.
21) The excess of assets over liabilities is ________
22) The total assets of a proprietor are Rs.5,00,000. His liabilities Rs.3,50,000. Then his capital in the business is ________.
23) A firm has assets worth Rs.60,000 and capital Rs.45,000. Then it’s liabilities is ________.
24) All assets whose benefit is derived for a ________ period of time are called as Fixed Assets.
25) The estimated sale value of the asset at the end of it’s economic life is called as ________ value.
26) ________ method of depreciation is calculated on the original cost of assets.
27) Under ________ method, depreciation is calculated on the book value of the asset each year.
28) ________ method of depreciation is used in the case of Lease.
29) Under insurance policy method, cash is paid by way of ________ every year.
30) ________ method of depreciation is suitable for special type of asset like Loose tools.
31) ________ is a mathematical relationship between two items expressed in quantitative form.
32) Ratio helps in ________ forecasting.
33) ______ Ratio measures the firm's ability to pay off its current dues. 
34) ______ are those assets which are easily convertible into cash.
35) Bank overdraft is an example of ______ liability.
36) Liquid ratio is used to assess the firm’s ______ liquidity.
37) Liquid assets means current assets less ______ and ______.
38) ______ ratio is modified form of liquid ratio.
39) Liquid liabilities means current liabilities less ______.
40) Proprietory ratio shows the relationship between ______ and total tangible assets.
41) Gross profit can be ascertained by deducting cost of goods sold from ______.
42) Stock turnover ratio is otherwise called as ______.
43) 100% – Operating profit ratio is equal to ______ ratio.
44) When total sales is Rs.2,00,000, cash sales is Rs.65,000, then credit sales will be Rs.______.
45) Liquid ratio is otherwise known as ______.
46) The term ‘cash’ in cash budget stands for ______ and ______.
47) Cash budget is also called as ______.
48) There are _______ methods by which a cash budget is prepared.
49) The opening balance of cash in April is Rs.1250. Total receipts for the month are Rs.4300 and total payments amounted to Rs.3750. Opening balance of cash in May will be ________.
50) Cash budget is a useful tool for ________.
51) The closing balance of one month will be the ________ balance of the next month.
52) A sole trader business is owned and managed by ________ person.
53) Indian Partnership Act was enacted in the year ________.
54) Mutual and ________ agency is the essence of a partnership.
55) The profits and losses of the business will be shared among the partners in the ________ ratio.
56) Under fluctuating capital method, profit or loss in a year, will be transferred to the respective ________ accounts.
57) The capital accounts of partners may be ________ or fluctuating.
58) Under ________ capital arrangement, current accounts will not be maintained.
59) The debit balance of the current account, will be shown in the ________ side of the balance sheet.
60) Interest on partners’ capital is allowed, only when the ________ specifically provides for it.
61) Money lent to the business by a partner is credited to his ________ account and not his capital account.
62) Interest on partners’ loan should be paid, even if there is no ________ in a year.
63) Goodwill is an ________ asset.
64) The excess of average profit over normal profit is ________.
65) In the absence of partnership deed, no interest is to be charged on ________.
66) A partnership can be formed only for a ________ business.
67) The persons who entered into partnership are collectively known as ________.
68) In the event of admission of a new partner, technically there is ________ of old partnership.
69) At the time of admission of a new partner, ________ profit ratio should be found out.
70) At the time of admission of a new partner, ________ of assets and liabilities should be taken up.
71) When the value of an asset increases, it results in ________.
72) When an unrecorded liabilities is brought into books, it results in ________.
73) The balance of revaluation account shows __________ on revaluation.

74) The revaluation profit or loss is transferred to the old partners’ capital accounts, in their ______.

75) The difference between old profit sharing ratio and new profit sharing ratio at time of admission is ______ ratio.

76) Undistributed Profit will appear on the ______ side of the Balance sheet.

77) At the time of admission, when goodwill is raised, the old partners capital account will be credited in the ______ ratio.

78) The partner admitted into partnership firm acquires two rights i.e., right to share in the ______ of the partnership and right to share in the ______.

79) The new profit sharing ratio will be determined by how the new partner acquires is ______ from the old partners.

80) Under ______ goodwill account is raised by crediting the old partners capital accounts in the old profit sharing ratio.

81) The retiring partner should be paid off or the amount due to him, will be treated as his ______ to the firm.

82) At the time of retirement of partners, the existing partners stand to ______.

83) If the value of liabilities decrease, it results in ________ item.

84) At the time of retirement, the increase in the value of goodwill will be transferred to the ______ side of the capital accounts of all the partners.

85) At the time of retirement, the profit on revaluation of assets and liabilities will be transferred to the ______ side of the capital accounts of all the partners.

86) At the time of retirement, the revaluation profits of business will be shared by ______ partners.

87) In the absence of any specific agreement between the partners, partners loan to the firms will carry an interest at the rate of ______ percentage.

88) The accumulated reserves will be transferred to the old partners Capital account in the ______ ratio at the time of his retirement.

89) The amount due to the retiring partner is either ______ or is paid in ______.

90) ______ is calculated to determine the amount of compensation to be paid by each of the continuing partners to the outgoing partners.

91) A, B and C shares profit as 1/2 to A, 1/3 to B and 1/6 to C. If B retires then, the new profit sharing ratio is ________.

92) Sacrificing ratio is the ratio in which the old partners (existing) have agreed to sacrifice their ______ in favour of ______.

93) Companies have been defined in Section ___________ of the Companies Act, ______.

94) _________ is considered as the official signature of the company.

95) The management of a company is done by ________.

96) The liability of share holders are ________ in company.

97) Audit of accounts are done by practicing chartered accountants who are appointed by ________ at the ________.

98) ________ is the maximum amount of capital that can be issued by a company.

99) Nominal capital of a company is mentioned in the _______________ of the company.

100) That part of the authorised capital not offered for subscription to the public in known as ________ capital.

101) Reserve capital can be issued only at the time of ________ days.

102) A public issue can not be kept open for more than ________ days.
103) Minimum subscription that should be received by the company is _____% of the issued capital.
104) When excess application money is adjusted towards allotment it is called as _______ allotment.
105) There should be a time gap of __________ between two calls.
106) Capital Reserve represents ________ profit.
107) Forfeited shares have to be reissued at a price __________ the face value.
108) Share premium is shown in the __________ side of the Balance Sheet.

**CHOOSE THE BEST ANSWER:**

91 x 1 = 91

109) Returns inwards are deducted from
   (a) Purchases  (b) Sales  (c) Returns outward

110) The Profit and Loss account shows
    (a) Financial position of the concern  (b) Net profit or Net loss  (c) Gross profit or Gross Loss

111) Rent outstanding is
    (a) a liability  (b) an asset  (c) an income

112) Closing stock is shown in
    (a) Profit and loss account  (b) Trading account and Balance sheet  (c) None of the above.

113) Opening stock is shown in
    (a) Balance sheet  (b) Profit and Loss account  (c) Trading account

114) Gross Profit is transferred to
    (a) Capital account  (b) Profit and loss account  (c) None of the above

115) Interest on capital is added to
    (a) Expense A/c  (b) Income A/c  (c) Capital A/c

116) Interest on drawings is deducted from
    (a) Income A/c  (b) Capital A/c  (c) Expense A/c

117) Outstanding interest on loan borrowed is to be added to
    (a) Asset A/c  (b) Income A/c  (c) Loan A/c

118) All the items given in the adjustment will appear at ________ in the Final accounts.
    (a) Three places  (b) Two places  (c) One Place

119) Under the networth method the basis for ascertaining the profit is
    (a) the difference between the capital on two dates.
       (b) the difference between the liabilities on two dates.
       (c) the difference between the gross assets on two dates.

120) Incomplete records are generally used by
    (a) Small traders  (b) Company  (c) Government

121) Credit sales is obtained from
    (a) Bills Receivable account  (b) Total debtors account  (c) Total creditors account

122) Single Entry System is
    (a) a Scientific method  (b) an Incomplete Double Entry System  (c) None of the above.

123) The capital of a business is ascertained by preparing
    (a) Trading account  (b) Statement of profit or loss  (c) Statement of affairs

124) Depreciation arises due to
    (a) wear and tear of the asset  (b) fall in the market value of an asset  (c) fall in the value of money

125) Under straight line method, rate of depreciation is calculated on
   (a) Original cost (b) Written down value (c) Cost less scrap value

126) Under diminishing balance method, depreciation
   (a) decreases every year (b) increases every year (c) constant every year

127) The term depletion is used for
   (a) Intangible assets (b) Fixed assets (c) Natural resources

128) If selling price is more than the book value of the asset on the date of sale, it is
   (a) a loss (b) an income (c) a profit

129) If selling price is less than the book value of the asset it denotes
   (a) loss (b) capital profit (c) expenditure

130) Profit made on sale of fixed asset is debited to
   (a) Profit and Loss account (b) Fixed Asset account (c) Depreciation account

131) Loss on sale of fixed asset appear on the
   (a) credit side of Depreciation account (b) debit side of fixed asset account
   (c) credit side of fixed asset account

132) The amount of depreciation charged on a machinery will be debited to
   (a) Machinery account (b) Depreciation account (c) Cash account

133) Total amount of depreciation provided on the written down value method at the rate of 10% p.a. on
   Rs.10,000 for first three years will be
   (a) Rs. 2,107 (b) Rs. 2,710 (c) Rs. 2,701

134) All solvency ratios are expressed in terms of
   (a) Proportion (b) Times (c) Percentage

135) All activity ratios are expressed in terms of
   (a) Proportion (b) Times (c) Percentage

136) All profitability ratios are expressed in terms of
   (a) Proportion (b) Times (c) Percentage

137) Liquid liabilities means
   (a) Current liabilities (b) Current liabilities – Bank overdraft (c) Current liabilities + Bank overdraft

138) Shareholders funds includes
   (a) Equity share capital, Preference share capital, Reserves & Surplus
   (b) Loans from banks and financial institutions
   (c) Equity share capital, Preference share capital, Reserves & Surplus and Loans from banks and financial institutions.

139) Which of the following option is correct?
   (a) Tangible Assets = Land + Building + Furniture (b) Tangible Assets = Land + Building + Goodwill
   (c) Tangible Assets = Land + Furniture + Goodwill + Copyright

140) Gross profit ratio establishes the relationship between
   (a) Gross profit & Total sales (b) Gross profit & Credit sales (c) Gross profit & Cash sales

141) Opening stock is equal to Rs.10,000, Purchase Rs.2,00,000 and closing stock is Rs.5,000. Cost of goods sold is equal to
   (a) Rs. 2,15,000 (b) Rs. 2,10,000 (c) Rs. 2,05,000
142) Operating ratio is equal to
   (a) 100 – Operating profit ratio  (b) 100 + Operating profit ratio (c) Operating profit ratio

143) Total sales is Rs.3,40,000 and the gross profit made is Rs.1,40,000. The cost of goods sold will be _______
   (a) Rs.2,00,000  (b) Rs. 4,80,000  (c) Rs. 3,40,000

144) Total sales of a business concern is Rs.8,75,000. If cash sales is Rs.3,75,000, then credit sales will be
   (a) Rs.12,50,000  (b) Rs.5,00,000  (c) Rs.12,00,000

145) Cost of goods sold is Rs.4,00,000 and average stock is Rs.80,000. Stock turnover ratio will be
   (a) 5 times  (b) 4 times  (c) 7 times

146) Current assets of a business concern is Rs.60,000 and current liabilities are Rs.30,000. Current ratio will be
   (a) 1 : 2  (b) 1 : 1  (c) 2 : 1

147) Equity share capital is Rs.2,00,000, Reserves & surplus is Rs.30,000. Debenture Rs.40,000 and the
    shareholders funds will be
   (a) Rs.2,00,000  (b) Rs. 2,30,000  (c) Rs. 1,90,000

148) Budget is an estimate relating to ________ period.
   (a) future  (b) current  (c) past

149) Budget is expressed in terms of
   (a) Money  (b) Physical units  (c) Money & Physical units

150) Cash budget deals with
   (a) Estimated cash receipts  (b) Estimated cash payments
   (c) Estimated cash receipts & Estimated cash payments

151) Purchase of Furniture is an example for
   (a) Cash receipts  (b) Cash payments  (c) None of the above

152) The opening balance of cash in January is Rs.9,000. The estimated receipts are Rs.14,000 and the estimated
    payments are Rs.10,000. The opening balance of cash in February will be
   (a) Rs. 21,000  (b) Rs. 11,000  (c) Rs. 13,000

153) The minimum number of persons in a partnership firm is ______
    (a) one  (b) two  (c) seven

154) In a partnership business, agreement is ______
    (a) compulsory  (b) optional  (c) not necessary

155) In a partnership, partners share their profits and losses in ______ ratio
    (a) their capital  (b) equal  (c) agreed

156) Under fixed capital system, the profits and losses of partners will be transferred to their ______ account
    (a) current  (b) drawings  (c) both

157) Interest on capital is calculated on the .................
    (a) Opening Capital  (b) Closing Capital  (c) Both

158) Current accounts for partners will be opened under
    (a) Fixed capital method  (b) Fluctuating capital method
    (c) Either fixed capital method or fluctuating capital method

159) In the absence of an agreement profits and losses are divided
    (a) in the ratio of capitals  (b) in the ratio of time devoted by each partner  (c) equally
160) X and Y are partners sharing the profits and losses in the ratio of 2:3 with capitals of Rs.1,20,000 and Rs.60,000 respectively. Profits for the year are Rs.9,000. If the partnership deed is silent as to interest on capital. Show how profit is shared among X and Y
(a) Profit : X - Rs. 6,000; Y - Rs.3,000 (b) Profit : X - Rs. 3,600; Y - Rs.5,400
(c) Profit : X - Rs. 3,000; Y - Rs.6,000

161) Where a partner is entitled to interest on capital such interest will be payable,
(a) Only out of profits  (b) Only out of capital  (c) Out of profits or out of capital

162) In the absence of partnership deed, partners shall
(a) be paid salaries  (b) not to be paid salaries  (c) paid salaries to those who work for the firm

163) Under fixed capital method salary payable to a partner is recorded
(a) in Current Account  (b) in Capital Account  (c) either in Current Account or Capital Account.

164) If a firm is maintaining both ‘Capital Accounts’ and ‘Current Accounts’ of the partners A and B. Additional capital introduced by B will be recorded in
(a) B’s Current Account  (b) B’s Capital Account  (c) either B’s Capital Account or Current Account

165) When A and B sharing profits and losses in the ratio of 3:2, they admit C as a partner giving him 1/3 share of profits. This will be given by A and B.
(a) Equally  (b) In the ratio of their capitals  (c) In the ratio of their profits.

166) In admission, profit from revaluation of assets and liabilities will be transferred to the capital accounts of the old partners in the
(a) Old Profit - Ratio  (b) Sacrifice Ratio  (c) New Profit - Ratio

167) If new share of the incoming partner is given without mentioning the details of the sacrifice made by the old partners then, the presumption is that old partners sacrifice in the ________.
(a) Old profit sharing ratio  (b) Gaining ratio  (c) Capital ratio

168) In order to maintain fair dealings, at the time of admission, it is necessary to revalue assets and liabilities of the firm to their ________.
(a) cost price  (b) cost price less depreciation  (c) true value

169) On admission of a partner if goodwill account is to be raised this should be debited to
(a) Partners’ capital account  (b) Goodwill account  (c) Revaluation account

170) When A and B sharing profits and losses in the ratio 3:2, admit C as a partner giving him 1/5 share of profits. This will be given by A and B.
(a) Equally  (b) in their capitals ratio  (c) in their profit sharing ratio

171) On admission of a new partner, increase in value of assets is debited to
(a) Asset account  (b) Profit & Loss adjustment account  (c) Old partners capital account

172) On admission of a new partner balance of General Reserve Account should be transferred to the capital account of
(a) all partners in their new profit sharing ratio  (b) old partners in their old profit sharing ratio
(c) old partners in their new profit sharing ratio

173) The old partners share all the accumulated profits and reserves in their
(a) new profit sharing ratio  (b) old profit sharing ratio  (c) capital ratio
174) The reconstitution of the partnership requires a revision of the _______ of the existing partners
   (a) Profit sharing ratio  (b) Capital ratio  (c) Sacrificing ratio

175) _______ ratio is computed at the time of admission of a new partner
   (a) gaining ratio  (b) Capital ratio  (c) Sacrificing ratio

176) At the time of retirement of a partner, calculation of new profit ratio is _______
   (a) not necessary  (b) necessary  (c) optional

177) Undistributed profits and losses ______ transferred to all the partners account at the time of retirement of a partner.
   (a) should be  (b) should not be  (c) may be

178) Balance sheet items like Profit & Loss account and General Reserve must be transferred to
   (a) Revaluation A/c  (b) Partner’s Capital A/c  (c) None of the above

179) If the goodwill account is raised for Rs.30,000, the amount is debited to:
   (a) The capital accounts of partners  (b) Goodwill Account  (c) Cash Account

180) _______ ratio is calculated by taking out the difference between new profit sharing ratio and old profit sharing ratio.
   (a) Gaining  (b) Capital  (c) Sacrifice

181) On retirement of a partner goodwill amount is credited to the account of
   (a) only retiring partner  (b) all partners including retiring partner  (c) only remaining partner

182) A, B and C are sharing profits in the ratio of 2/5 : 2/5 : 1/5. C retired from business and his share was purchased equally by A and B. Then new profit sharing ratio shall be
   (a) A – 1/2 & B – 1/2  (b) A – 3/5 & B – 2/5  (c) A – 2/5 & B – 3/5

183) When the amount due to an outgoing partner is not paid immediately, then it is transferred to
   (a) Capital A/c  (b) Loan A/c  (c) Cash A/c

184) If the amount due to the outgoing partner is transferred to loan account then he is entitled to interest at ______ until it is paid out.
   (a) 9%  (b) 5%  (c) 6%

185) According to Companies (Amendment) Act 2000, a company limited by shares can issue ______ kinds of shares.
   (a) 1  (b) 2  (c) 3

186) The public issue must be kept open for atleast
   (a) 3 days  (b) 5 days  (c) 7 days

187) Minimum amount to be collected by a company as application money according to SEBI is ______% of the issue price.
   (a) 10%  (b) 25%  (c) 50%

188) When more number of applications are received than that are offered to the public, it is called
   (a) Over subscription  (b) Under subscription  (c) Full subscription

189) The maximum calls that a company can make is
   (a) One  (b) Two  (c) Three
190) According to Table A, interest charged on calls-in-arrears is_____.
   (a) 4%  (b) 5%  (c) 6%

191) According to Table A, interest charged on calls in advance is______%.
   (a) 4%  (b) 5%  (c) 6%

192) A company can issue shares
   (a) at par only  (b) at par and at premium  (c) at par, at premium & at discount

193) When the company issue shares at a price more than the face value it is called as an issue at _______.
   (a) par  (b) Premium  (c) Discount

194) Normally companies can issue shares at _______ of discount
   (a) 5%  (b) 10%  (c) 20%

195) When shares are forfeited the share capital of the company will_______.
   (a) remain same  (b) reduce  (c) increase

196) Securities premium will appear in the _______ side of the Balance Sheet.
   (a) Asset  (b) Liability  (c) Assets & Liabilities

197) The balance of forfeited share account is_______ in the Balance Sheet.
   (a) added to paid up capital  (b) added to authorised capital  (c) deducted from paid up capital.

198) Calls-in-arrears is shown in the Balance Sheet as
   (a) deduction from called up capital  (b) addition to paid up capital  (c) addition to issued capital

199) Capital Reserve is shown on the _______ side of Balance Sheet.
   (a) Asset  (b) Liability  (c) Both