Multiple choice questions

1. Fire insurance \_\_\_\_\_\_\_\_
2. Covers risk of loss
3. Prevent loss
4. Increases loss
5. Increase closing stock
6. In fire insurance compensation is
7. Actual loss incurred
8. Equal to policy amount
9. Stock on the date of fire
10. Opening stock on the date of insurance
11. Salvage refers to
12. Stock saved from fire
13. Stock destroyed by fire
14. Stock moving fast
15. Stock moving slow
16. Purchase of furniture should be
17. Deducted from purchases
18. Added to purchase
19. Added to sales
20. Added to stocks
21. % of gross profit should be
22. Consistent
23. Fluctuating
24. Increasing
25. Decreasing
26. Stock for the purpose of claim should be
27. At cost
28. At marginal price
29. At market value
30. At sunk cost
31. Unrecorded sales should be
32. Added to sales
33. Added to purchases
34. Deducted from purchases
35. Deducted from sales
36. Credit purchases should be ascertained from
37. Total creditors account
38. Total debtors account
39. Cash account
40. P & L a/c
41. Total debtors account prepared to find out
42. Credit sales
43. Cash purchases
44. Cash sales
45. Credit purchase
46. Abnormal items included in closing stock should be
47. Deducted from closing stock
48. Deducted from purchases
49. Added to sales
50. Added to purchases
51. Salvage is
52. Deducted from stock on the date of fire
53. Added to stock on the data of fire
54. Ignored for deciding claim
55. Added to purchases
56. As per average clause insurance company pays compensation
57. Proportionately
58. More than the loss
59. Less than the loss
60. Equally
61. Goods sent on consignment are
62. Credited to memorandum trading account
63. Debited to memorandum trading account
64. Added to debtor account
65. Deducted from debtor account
66. Goods sent on approval is
67. Credited to memorandum trading account
68. Debited to memorandum trading account
69. Deducted from sales
70. Added to purchase
71. Carriage on purchases should be
72. Debited to memorandum trading account
73. Credited to memorandum trading account
74. Deducted from sales
75. Added to sales
76. Unrecorded purchase should be
77. Added to purchases
78. Added to sales
79. Deducted from sales
80. Deducted from purchases
81. Misappropriated cash sales should be
82. Added to sales account
83. Added to purchase account
84. Added to creditor account
85. Deducted from Purchase
86. The main objective of the average clause is to
87. Encourage full insurance
88. Encourage under insurance
89. Discourage full insurance
90. Encourage half insurance

1. In case of average clause, the loss is suffered by both the insurer and the insured
2. In the ratio of risk covered
3. In equal ratio
4. Only by insurer
5. Only by Agent

1. The value of closing stock on the date of fire stock can be ascertained by preparing a
2. Memorandum trading a/c
3. Trading a/c
4. Memorandum P & L a/c
5. P & L a/c
6. To lodge claim for the loss of stock by fire, the value of \_\_\_\_\_\_\_\_\_\_\_\_on the date of fire has to be estimated
7. Closing stock in trade
8. Opening stock in trade
9. Sales
10. Claim
11. A fire insurance policy usually includes an \_\_\_\_\_\_\_\_\_ to discourage the under insurance of stock or any asset
12. Average clause
13. Weighted clause
14. Closing stock
15. Opening stock
16. If the rate of gross profit is 25% on cost it will be equal to
17. 1/5th on sales
18. 20% on cost
19. 1/3rd on sales
20. 1/5th on cost
21. Fire insurance provides cover for
22. Tangible assets
23. Intangible assets
24. Fictitious assets
25. Current liabilities
26. The average clause in a loss of profit protects the
27. Insurer
28. Insured
29. Workers
30. Employee