

## FYBBI –Financial accounting –II Sem –II

Goodwill is	A. an intangible asset	B. a fixed asset	C. realizable	D. an tangible asset
Goodwill is paid for obtaining	A. future benefit	B. Present benefit	C. Past benefit	D. 10 Years benefits
Normal profit is	A. average profit earned	B. Profit earned by similar companies in the same industry	C. Target profit	D. Profit in past
Any non trading income included in the profit should be	A. eliminated	B. added	C. ignored	D. Multiplied
Simple average = Total profit / _____	A. No. of years	B. No. of years of goodwill	C. Total sales	D. Sales
Super profit = F.M.P - _____	A. Normal profit	B. Average profit	C. Average sales	D. No. of years
N.R.R Stand's for _____	A. Normal rate of return	B. Normal rate of Real sales	C. Normal return of rate	D. Normal rate of real estate
Average capital employed = opening capital + _____ / 2	A. Closing stock	B. Sales	C. Profit earned	D. capital Employed
Profit for 2010,2011,2012,2013,2014 is Rs 10,000 ,Rs 20,000 ,Rs 30,000 ,Rs 40,000 , Rs 50,000 respectively , Calculate average profit	A. Rs 30,000	B. Rs 40,000	C. Rs 50,000	D. Rs 20,000
Goodwill = Super profit X _____	A. Number of years of purchase	B. Sales	C. Average profit	D. Net profit
Which is a example of Tangible assets	A. Land and building	B. Goodwill	C. Creditors	D. Debenture
Quoted shares are those shares which are	A. Listed on the stock exchange	B. quoted daily	C. quoted by the seller	D. quoted by the buyer
Value of a Partly Paid equity Share is equal to	A. Value of fully Paid Share - calls unpaid per share	B. Calls in arrears per share	C. Paid up value per share	D. Calls in advanced
The company earns a net profit of Rs 24,000 with a capital of Rs 1,20,000. The NRR is 10%. Under capitalization of super profit, goodwill will be	A. 1,20,000	B. 70,000	C. 12,000	D. 24,000
Net assets value = _____ / No. of equity shares	A. Amount available for equity shareholders	B. Earning before tax and interest	C. Earning in shares	D. Amount of preferences shares
A company can buy back	A. Partly paid share	B. Fully paid share	C. Partly called up	D. Call in Arrears
Buy-back of Equity Shares in any financial shares shall not exceeds.	A. 5% of its total capital	B. 25% of Nominal Share Capital	C. 25% of fully paid Equity Shares	D. 75% of equity shares
Interest is always calculated on the	A. Market Value	B. Cost of purchase	C. Nominal/Face Value	D. Higher of cost and fair value

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For buyback ,no. of shares cannot be more than _____% of paid up capital	A. 25	B. 30	C. 40	D.50
Debt equity ratio after back back is not more than _____	A. 2:1	B. 3:1	C.1:5	D. 5:1
Future issue of same shares of same kind is not permissible after buy back within a period of _____	A. 2 Years	B. 2 Months	C.6 Months	D.5 Years
The provision of buy back of shares are specified in section _____of companies act.	A. 68	B. 75	C. 78	D. 80
The shares bought back should be _____	A. Re-issue in primary market	B. Pledged to loan	C. Cancelled	D. Ignored
For a buy back ,a company should open an escrow account with _____	A. Stock exchange	B. Broker	C. Underwriter	D. Bank
The reserve ,which is not a free reserve for the purpose of buy back of shares ,is _____	A. Profit and loss account	B. Dividend equilisation reserve	C. Revaluation reserve	D. General reserve
After completion of buyback ,buyback return must be filed with _____	A. Registrar of companies	B. SEBI	C. Registrar and SEBI	D. Registrar of stock exchange
ABC ltd decided to buyback 1,00,000 shares of Rs 10 each at Rs 12 . Calculate the total value of premium	A. Rs 40,000	B. Rs 1,00,000	C. Rs 2,00,000	D.Rs 12,00,000
Premium paid by the company at the time of buyback is treated _____ for the company	A. Expenses /loss	B. Profit/ Gain	C. Own Fund	D. capital Employed
Mark the correct journal entry for payment to Equity shareholders at the time of buyback	A. Equity shareholder a/c ....Dr To Bank A/c	B. Bank a/c ...Dr To Equityshareholder a/c	C. General reserve a/c ...Dr To Bank a/c	D. Bank a/c ....Dr To general reserve a/c
Mark the correct journal entry for Equity share Final call money received	A. Equity share final call a/c ..Dr To Bank a/c	B. Bank a/c ...Dr To Equityshare final call a/c	C. General Reserve a/c ...Dr To Equity share final call	D. Bank a/c ....Dr To general reserve a/c
Own fund consist of Equity capital + _____	A. Free Reserve	B. Loan	C. Debenture	D. Only bank balance
If 15 % debenture are issued at 10% discount. Calculate interest %	A. 10%	B. 15%	C. 5 %	D.25%
The following sttement is false	A. A company can issue preference share which are redeemable	B. A company can issue irredeemable preference shares	C. The maximum period for redemption is normally 20 years from the date of issue	D. Partly

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Redemption of pref. share	A. Leads to reduction of Authorised capital	B. Does not change the authorised capital of the company	C. increase the authorised capital	D. Increase the capital
When Pref. Shares are redeemed out of profit ,the amount equal to the nominal value of shares redeemed should be transferred to _____	A. Capital reserve account	B. Capital Redemption reserve account	C. General Reserve	D. Sinking fund account
Profit on forfeiture of redeemable pref.share is credited to _____	A. Capital reserve a/c	B. Capital redemption reserve a/c	C. Profit and loss a/c	D. General Reserve a/c
ABC Ltd has to redeem 1,000 preference shares of Rs 100 each at 10 % premium . It issue 5,000 equity shares of Rs 10 each at 10% premium . General reserve amount transferred to capital redemption reserve will be _____	A. Rs 1,00,000	B. Rs 50,000	C.Rs 55,000	D. Rs1,10,000
_____paid preference shares cannot be redeemed	A. Partly paid share	B. Fully paid share	C. Partly called up	D. Call in Arrears
Capital redemption reserve can be utilised for _____	A. Paying dividend	B. Issue of bonus share	C. set off against losses	D. write off fictitious balance
Uncollected redemption money should be shown as _____	A. loan	B. Contingent liability	C. Current liability	D. Capital
The interest on investment representing sinking fund should be credited to _____.	A. Profit and loss a/c	B. Sinking fund a/c	C. Debenture a/c	D. Capital reserve
After redemption of debenture ,balance in sinking fund should be transferred to _____.	A. Capital reserve	B. General reserve	C. Profit and loss a/c	D. Security premium
The companies Act requires creation of _____ by a company issuing debenture	A. Capital Redemption reserve	B. Capital reserve	C. Debenture redemption reserve	D. Statutory reserve
Sinking fund A/c for redemption of debenture is shown under _____.	A. Reserve and surplus	B. Secured loans	C. Unsecured loan	D. Fixed assets
The claim of debentureholder on redemption is credited to _____.	A. Bank a/c	B. Debentureholders A/c	C. Sinking fund a/c	D.Security fund a/c
Capital reserve is _____.	A. Current years profit	B. Past accumulated profit	C. Capital profit	D. Divisible profit
Debenture are shown in the Balancesheet under the head _____.	A. Long term loans	B. Reserve and surplus	C. Trading account	D. Profit and loss a/c
Redemption of debenture means _____ of debenture	A. Repayment	B. Loan taken	C. Assets	D. Dividend

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Debtore redemption reserve must have a credit balance equal to _____.	A.30%	B.25%	C. 50%	D. 10%
SUPER PROFIT IS _____	A. EXCESS OF AVERAGE PROFIT OVER NORMAL PROFIT	B. EXTRA PROFIT EARNED	C. AVERAGE PROFIT EARNED BY SIMILAR COMPANIES	D. EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITY
NORMAL PROFIT IS _____	A. AVERAGE PROFIT EARNED	B. PROFIT EARNED BY SIMILAR COMPANIES IN THE SAME INDUSTRY	C. PROFIT EARNED	D. EXCESS OF CURRENT ASSETS OVER CURRENT LIABILITY
RATE OF INTEREST IS 11% AND THE RATE OF RISK IS 9% . THE NORMAL RATE OF RETURN IS _____	A. 11%	B. 9%	C. 20%	D. 2 %
SUPER PROFIT IS RS 9167 AND NORMAL RATE OF RETURN IS 10% GOODWILL AS PER CAPITALISATION OF SUPER PROFIT METHOD IS EQUAL TO _____	A. RS 91,670	B. RS 90,600	C. RS 67,910	D. 95,000
YIELD VALUE IS BASED ON ASSUMPTION THAT _____	A. THE COMPANY IS A GOING CONCERN	B. THE COMPANY WILL BE LIQUIDATED	C. THE COMPANY IS SICK	D. THE COMPANY IS MAKING HUGE LOSSES
GOODWILL AS PER PURCHASES OF AVERAGE PROFIT METHOD _____	A. AVERAGE PROFIT	B. AVERAGE PROFIT x AMOUNT OF PURCHASES	C. AVERAGE PROFIT x NO. OF YEARS OF PURCHASES	D. NO. OF YEARS OF PURCHASES
THE SHARES BOUGHT BACK SHOULD BE _____	A. RE-ISSUED	B. PLEDGED TO LOAN	C. CANCELLED	D. IGNORED
THE AMOUNT NOT COLLECTED BY SHAREHOLDERS SHOULD BE SHOWN AS _____	A. CURRENT LIABILITY	B. CAPITAL RESERVE	C. SHARE CAPITAL	D. RESERVE CAPITAL
BOARD OF DIRECTORS CAN APPROVE BUY BACK UPTO _____	A. 25%	B. 10 %	C. 20%	D. 5 %
BUYBACK MUST BE AUTHORIZED BY _____	A. M/A	B. A/A	C. AUDITORS OF THE COMPANY	D. CENTRAL GOVERNMENT
THE COMPANY GOING FOR BUYBACK MUST FILE SOLVENCY DECLARATION WITH _____	A. REGISTRAR OF COMPANIES	B. SEBI	C. REGISTRAR AND SEBI	D. CENTRAL GOVERNMENT
IF BUYBACK OF EQUITY SHARES IS NOT OUT OF DIVISIBLE PROFIT, THERE IS NO NEED TO TRANSFER ANY AMOUNT TO _____	A. CAPITAL REDEMPTION RESERVE	B. GENERAL RESERVE	C. PROFIT AND LOSS a/c	D. DIVIDEND EQUILISATION RESERVE
THE REDEMPTION OF PREFERENCES SHARE IS _____	A. 77	B. 78	C. 75	D. 55

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GOVERNED BY SECTION _____ OF COMPANIES ACT				
THE COMPANY INTENDED TO PROVIDE FUNDS FOR REDEMPTION OF SHARES CREATES _____	A. REDEMPTION FUNDS	B. DEPRECIATION FUND	C. SINKING FUND/REDEMPTION FUND	D. DIVIDEND FUND
CAPITAL REDEMPTION FUND IS TO BE CREATED TO THE EXTENT REDEMPTION IS OUT OF _____	A. BANK ACCOUNT	B. NEW ISSUE OF SHARE	C. CAPITAL PROFIT	D. DIVISIBLE PROFIT
PREFERENCE SHARES CAN BE REDEEMED BY _____.	A. ISSUE OF PREFERENCE SHARES	B. TRANSFER OF INVESTMENTS	C. SALE OF FIXED ASSETS	D. SET OFF DEFERRED REVENUE EXPENDITURE
X LTD ISSUED 1,000 EQUITY SHARES OF RS 100 EACH AT DISCOUNT OF 10% .THE PROCEEDS WILL BE _____.	A. RS 1,00,000	B. RS 90,000	C. RS 1,10,000	D. RS 85,000
DIVIDEND IS CALCULATED ON PREFERENCE SHARE CAPITAL ON _____	A. FACE VALUE	B. PAID UP VALUE	C. MARKET VALUE	D. UNPAID UP CAPITAL
TO PROVIDE FUNDS FOR REDEMPTION A COMPANY MAY _____	A. CREATE SINKING FUND	B. CREATE REDEMPTION FUND	C. REMAIN INACTIVE	D. OPEN NEW BANK ACCOUNT
THE FORMS OF REDEMPTION OF DEBENTURE ARE SPECIFIED AT THE TIME OF _____	A. ISSUE OF DEBENTURES	B. ALLOTMENT	C. RECEIPTS OF APPLICATION	D. REDEMPTION
RAJESH LTD ISSUED 50,000 8% DEBENTURE OF RS 10 EACH AT PAR ,WHICH ARE REDEEMABLE AFTER 5 YEARS AT A PREMIUM OF 20% .THE AMOUNT OF LOSS ON REDEMPTION OF DEBENTURE TO BE WRITTEN OFF EVERY YEAR IS _____	A. RS 40,000	B. RS 10,000	C. RS 20,000	D. RS 5,000
INTEREST ON SINKING FUND INVESTMENT IS CREDITED TO _____	A. SINKING FUND ACCOUNT	B. PROFIT & LOSS ACCOUNT	C. PROFIT & LOSS APPROPRIATION ACCOUNT	D. GENERAL RESERVE
WHEN DEBENTURE BECOMES DUE ,THE CLAIM IS CREDITED	A. BANK ACCOUNT	B. DEBENTURE HOLDER ACCOUNT	C. DEBENTURE ACCOUNT	D. CASH ACCOUNT
DIVISIBLE PROFIT MEANS _____	A. PROFIT DISCLOSED BY PROFIT AND LOSS ACCOUNT	B. PROFIT DISCLOSED BY PROFIT AND LOSS LESS DIVIDEND TAX	C. PROFIT AVAILABLE FOR DISTRIBUTION AS DIVIDEND	D. RETAINED EARNINGS
INTEREST ON DEBENTURE IS PAYABLE OUT OF	A. INCOME	B. PROFIT	C. CAPITAL	D. LOSS
GOODWILL IS _____	A. INTANGIBLE ASSETS	B. TANGIBLE ASSETS	C. CURRENT ASSETS	D. LIABILITY
ANY NON TRADING INCOME INCLUDED IN THE PROFIT SHOULD BE _____	A. ELIMINATED	B. ADDED	C. IGNORED	D. ADDED TO CAPITAL

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CAPITAL EMPLOYED AT THE END OF THE YEAR IS RS 4,20,000 .PROFIT EARNED RS 40,000 .AVERAGE CAPITAL EMPLOYED IS _____	A. RS 4,20,000	B. RS 4,00,000	C. RS 4,40,000	D. RS 4,60,000
AVERAGE PROFIT IS RS 19,167 AND NORMAL PROFIT IS RS 10,000 . THE SUPER PROFIT IS _____	A. RS 9,167	B. RS 29,167	C. RS 19,167	D. RS 10,000
QUOTED SHARES ARE THOSE SHARES WHICH ARE _____	A. LISTED ON STOCK EXCHANGE	B. QUOTED DAILY	C. QUOTED BY THE SELLER	D. SOLD AT DISCOUNT
VALUE OF THE PARTLY PAID EQUITY SHARES IS EQUAL TO _____	A. VALUE OF FULLY PAID SHARE - CALLS UNPAID PER SHARE	B. CALLS IN ARREARS PER SHARE	C. PAIDUP VALUE PER SHARE	D. CALLS PAID IN ADVANCED
THE PROVISION OF BUY BACK OF SHARES ARE SPECIFIC IN SECTION _____ OF COMPANIES ACT .	A. 68	B. 75	C. 78	D. 80
THE DEBT : EQUITY RATIO ,AFTER BUYBACK SHOULD NOT EXCEED _____	A. 2:1	B. 1:1	C.1:2	D.3:4
FOR A BUY BACK A COMPANY SHOULD OPEN AN ESCROW ACCOUNT WITH _____	A. STOCK EXCHANGE	B. BROKER	C. UNDERWRITER	D. BANK
BUYBACK MUST BE COMPLETED WITHIN _____	A. 12 MONTHS	B. 3 MONTHS	C. 6 MONTHS	D. 2 MONTHS
THE FOLLOWING IS NOT A FREE RESERVE _____	A. GENERAL RESERVE	B. PROFIT / LOSS a/c	C. REVALUTION RESERVE	D. DIVIDEND EQUILISATION RESERVE
CAPITAL REDEMPTION RESERVE CAN BE UTILISED ONLY FOR _____	A. ISSUE OF FULLY PAID BONUS SHARES TO THE MEMBERS	B. ISSUE OF PARTLY PAID BONUS SHARES TO THE MEMBERS	C. WRITING OFF LOANS	D. ISSUE OF PARTLY PAID SHARES TO THE MEMBERS
PROCEEDS OF FRESH ISSUE AS A SOURCE OF REDEMPTION CAN BE _____	A. EQUITY SHARES	B. CALL MONEY ON SHARES	C. DEBENTURE	D. LOAN FOR BANK
CAPITAL REDEMPTION RESERVE CAN BE CREATED OUT OF _____	A. STATUTORY RESERVE	B. CAPITAL RESERVE	C. SECURITY PREMIUM	D. FREE RESERVE
DIVISIBLE PROFIT MEANS _____	A. PROFIT DISCLOSED BY PROFIT AND LOSS ACCOUNT	B. PROFIT DISCLOSED BY PROFIT AND LOSS LESS DIVIDEND TAX	C. PROFIT AVAILABLE FOR DISTRIBUTION AS DIVIDEND	D. RETAINED EARNINGS
THE FOLLOWING PROFIT DOES NOT FORM A PART OF DIVISIBLE PROFIT _____	A. WORKMEN COMPENSATION FUND	B. WORKMEN ACCIDENT FUND	C. REVALUATION RESERVE	D. PROFIT AND LOSS ACCOUNT

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CAPITAL REDEMPTION RESERVE IS SHOWN IN THE BALANCE SHEET UNDER _____	A. SHARE CAPITAL	B. SECURED LOAN	C. UNSECURED LOAN	D. RESERVE AND SURPLUS
PREMIUM ON REDEMPTION OF PREFERENCES SHARE SHOULD BE ADJUSTED OUT OF _____	A. DIVISIBLE PROFIT ONLY	B. CAPITAL PROFIT ONLY	C. SECURITY PREMIUM ONLY	D. PROFIT OF THE COMPANY
A COMPANY HAS TO CREATE DEBENTURE REDEMPTION RESERVE IF THE MATURITY PERIOD IS MORE THAN _____	A. 18 MONTHS	B. 12 MONTHS	C. 24 MONTHS	D. 60 MONTHS
INTEREST ON DEBENTURE IS PAYABLE OUT OF _____	A. INCOME	B. PROFIT	C. CAPITAL	D. LOSS
DEBENTURE REDEMPTION RESERVE IS DEALT WITH THE SECTION _____	A. 117 C	B. 117	C. 115	D. 110
A COMPANY ISSUING DEBENTURE IS REQUIRED TO CREATE DEBENTURE REDEMPTION RESERVE IF THE MATURITY PERIOD IS MORE THAN _____	A. 10 MONTHS	B. 15 MONTHS	C. 18 MONTHS	D. 24 MONTHS
FOR REDEMPTION OF DEBENTURE SINKING FUND IS CREATED OUT OF _____	A. CAPITAL RESERVE	B. SHARE CAPITAL	C. UNSECURED LOANS	D. CURRENT YEARS PROFIT
CAPITAL RESERVE IS _____	A. CURRENT YEAR'S PROFIT	B. PAST ACCUMULATED PROFIT	C. CAPITAL PROFIT	D. DIVISIBLE PROFIT
THE COMPANY EARNS A NET PROFIT OF RS 24,000 WITH A CAPITAL OF RS 1,20,000 .THE NRR IS 10% .UNDER CAPITALISATION OF SUPER PROFIT GOODWILL WILL BE _____	A. RS 1,20,000	B. RS 70,000	C. RS 12,000	D. RS 24,000