

12 TH ACCOUNTANCY- ONE MARK REVISION EXAMINATION

ONE MARK QUESTION 100

100 X 1 = 100

Choose the correct answer

1. The excess of assets over liabilities is
(a) Loss (b) Cash (c) Capital (d) Profit
2. The amount of credit sales can be computed from
(a) Total debtors account (b) Total creditors account
(c) Bills receivable account (d) Bills payable account
3. Opening balance of debtors: Rs. 30,000, cash received: Rs. 1,00,000, credit sales: Rs.90,000; closing balance of debtors is
(a) Rs. 30,000 (b) Rs. 1,30,000 (c) Rs. 40,000 (d) Rs. 20,000
4. Incomplete records are generally maintained by
(a) A company (b) Government (c) Small sized sole trader business (d) Multinational enterprises
5. What is the amount of capital of the proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000?
(a) Rs. 85,000 (b) Rs. 1,06,000 (c) Rs. 21,000 (d) Rs. 64,000
6. Statement of affairs is generally prepared to find out the ----- of the business.
(a) Profit or loss (b) Financial position (c) Capital (d) Arithmetical accuracy
7. Closing capital + Drawings - Additional Capital = -----
(a) Adjusted opening Capital (b) Opening Capital (c) Profit or loss (d) Adjusted Closing Capital
8. Receipts and payments account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
9. Income and Expenditure Account is prepared to find out
(a) Profit or loss (b) Cash and bank balance (c) Surplus or deficit (d) Financial position
10. Legacy is
(a) Revenue expenditure (b) Capital expenditure (c) Revenue receipt (d) Capital receipt
11. There are 500 members in a club each paying Rs. 100 as annual subscription. Subscription due but not received for the current year is Rs. 200; Subscription received in advance is Rs. 300. Find out the amount of subscription to be shown in the income and expenditure account.
(a) Rs. 50,000 (b) Rs. 50,200 (c) Rs. 49,900 (d) Rs. 49,800
12. Receipts and payments account records receipts and payments of
(a) Revenue nature only (b) Capital nature only
(c) Both revenue and capital nature (d) None of the above

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13. Balance of receipts and payments account indicates the
(a) Loss incurred during the period (b) Excess of income over expenditure of the period
(c) Total cash payments during the period (d) Cash and bank balance as on the date
14. Income and expenditure account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
15. Donations received for a specific purpose is
(a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
16. Subscription due but not received for the current year is
(a) An asset (b) A liability (c) An expense (d) An item to be ignored
17. In the absence of a partnership deed, profits of the firm will be shared by the partners in
(a) Equal ratio (b) Capital ratio (c) Both (a) and (b) (d) None of these
18. Pick the odd one out
(a) Partners share profits and losses equally
(b) Interest on partners' capital is allowed at 7% per annum
(c) No salary or remuneration is allowed to partners
(d) Interest on loan from partners is allowed at 6% per annum.
19. Which of the following is shown in Profit and loss appropriation account?
(a) Office expenses (b) Salary of staff (c) Partners' salary (d) Interest on bank loan
20. In the absence of an agreement among the partners, interest on capital is
(a) Not allowed (b) Allowed at bank rate
(c) Allowed @ 5% per annum (d) Allowed @ 6% per annum
21. Statement of affairs is a
(a) Statement of income and expenditure (b) Statement of assets and liabilities
(c) Summary of cash transactions (d) Summary of credit transactions
22. When capital in the beginning is Rs. 10,000, drawings during the year is Rs. 6,000, profit made during the year is Rs. 2,000 and the additional capital introduced is Rs. 3,000, find out the amount of capital at the end.
(a) Rs. 9,000 (b) Rs. 11,000 (c) Rs. 21,000 (d) Rs. 3,000
23. Opening statement of affairs is usually prepared to find out the
(a) Capital in the beginning of the year (b) Capital at the end of the year
(c) Profit made during the year (d) Loss occurred during the year
24. When a partner withdraws regularly a fixed sum of money at the end of every month, period for which interest is to be calculated on the drawings on an average is -----
(a) 5.5 months (b) 6 months (c) 12 months (d) 6.5 months

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25. In the absence of an agreement, partners are entitled to
 (a) Salary (b) Commission (c) Interest on loan (d) Interest on capital
26. Profit after interest on drawings, interest on capital and remuneration is Rs. 10,500. Geetha, a partner, is entitled to receive commission @ 5% on profits after charging such commission. Find out commission.
 (a) Rs. 50 (b) Rs. 150 (c) Rs. 550 (d) Rs. 500
27. Which of the following is the incorrect pair?
 (a) Interest on drawings - Debited to capital account
 (b) Interest on capital - Credited to capital account
 (c) Interest on loan - Debited to capital account
 (d) Share of profit - Credited to capital account
28. As per the Indian Partnership Act, 1932, the rate of interest allowed on loans advanced by partners is
 (a) 8% per annum (b) 12% per annum (c) 5% per annum (d) 6% per annum
29. Which of the following is true?
 (a) Super profit = Total profit / number of years
 (b) Super profit = Weighted profit / number of years
 (c) Super profit = Average profit - Normal profit
 (d) Super profit = Average profit × Years of purchase
30. When the average profit is Rs. 25,000 and the normal profit is Rs. 15,000, super profit is
 (a) Rs. 25,000 (b) Rs. 5,000 (c) Rs. 10,000 (d) Rs. 15,000
31. Which of the following statements is true?
 (a) Goodwill is an intangible asset (b) Goodwill is a current asset
 (c) Goodwill is a fictitious asset (d) Goodwill cannot be acquired
32. Identify the incorrect pair
 (a) Goodwill under Average profit method - Average profit × Number of years of purchase
 (b) Goodwill under Super profit method - Super profit × Number of years of purchase
 (c) Goodwill under Annuity method - Average profit × Present value annuity factor
 (d) Goodwill under Weighted average - Weighted average profit × Number of years of profit method purchase
33. Which one of the following statements is not true in relation to incomplete records?
 (a) It is an unscientific method of recording transactions
 (b) Records are maintained only for cash and personal accounts
 (c) It is suitable for all types of organisations
 (d) Tax authorities do not accept

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34. Which of the following should not be recorded in the income and expenditure account?
 (a) Sale of old news papers (b) Loss on sale of asset
 (c) Honorarium paid to the secretary (d) Sale proceeds of furniture
35. When fixed capital method is adopted by a partnership firm, which of the following items will appear in capital account?
 (a) Additional capital introduced (b) Interest on capital (c) Interest on drawings (d) Share of profit
36. When a partner withdraws regularly a fixed sum of money at the middle of every month, period for which interest is to be calculated on the drawings on an average is
 (a) 5.5 months (b) 6 months (c) 12 months (d) 6.5 months
37. Select the odd one out :
 (a) Fixed capital method (b) Average profit method (c) Super profit method (d) Capitalisation method
38. ----- methods are there to value goodwill.
 (a) 2 (b) 3 (c) 4 (d) 5
39. The average rate of return of similar concerns is considered as
 (a) Average profit (b) Normal rate of return (c) Expected rate of return (d) None of these
40. The total capitalised value of a business is Rs. 1,00,000; assets are Rs. 1,50,000 and liabilities are Rs. 80,000. The value of goodwill as per the capitalisation method will be
 (a) Rs. 40,000 (b) Rs. 70,000 (c) Rs. 1,00,000 (d) Rs. 30,000
41. Book profit of 2017 is Rs. 35,000; non-recurring income included in the profit is Rs. 1,000 and abnormal loss charged in the year 2017 was Rs. 2,000, then the adjusted profit is
 (a) Rs. 36,000 (b) Rs. 35,000 (c) Rs. 38,000 (d) Rs. 34,000
42. Revaluation A/c is a
 (a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c
43. Which of the following statements is not true in relation to admission of a partner
 (a) Generally mutual rights of the partners change
 (b) The profits and losses of the previous years are distributed to the old partners
 (c) The firm is reconstituted under a new agreement
 (d) The existing agreement does not come to an end
44. Select the odd one out
 (a) Revaluation profit (b) Accumulated loss
 (c) Goodwill brought by new partner (d) Investment fluctuation fund
45. Match List I with List II and select the correct answer using the codes given below:
- | List I | List II |
|-------------------------------|--------------------------------|
| (i) Sacrificing ratio | 1. Investment fluctuation fund |
| (ii) Old profit sharing ratio | 2. Accumulated profit |
| (iii) Revaluation Account | 3. Goodwill |
| (iv) Capital Account | 4. Unrecorded liability |

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Codes:

(i) (ii) (iii) (iv)

(a) 1 2 3 4

(b) 3 2 4 1

(c) 4 3 2 1

(d) 3 1 4 2

46. On revaluation, the increase in the value of assets leads to
 (a) Gain (b) Loss (c) Expense (d) None of these
47. The profit or loss on revaluation of assets and liabilities is transferred to the capital account of
 (a) The old partners (b) The new partner (c) All the partners (d) The Sacrificing partners
48. If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called
 (a) Capital ratio (b) Sacrificing ratio (c) Gaining ratio (d) None of these
49. James and Kamal are sharing profits and losses in the ratio of 5:3. They admit Sunil as a partner giving him 1/5 share of profits. Find out the sacrificing ratio.
 (a) 1:3 (b) 3:1 (c) 5:3 (d) 3:5
50. On revaluation, the increase in liabilities leads to
 (a) Gain (b) Loss (c) Profit (d) None of these
51. If the final amount due to a retiring partner is not paid immediately, it is transferred to
 (a) Bank A/c (b) Retiring partner's capital A/c
 (c) Retiring partner's loan A/c (d) Other partners' capital A/c
52. On retirement of a partner from a partnership firm, accumulated profits and losses are distributed to the partners in the
 (a) New profit sharing ratio (b) Old profit sharing ratio (c) Gaining ratio (d) Sacrificing ratio
53. A, B and C are partners sharing profits in the ratio of 4:2:3. C retires. The new profit sharing ratio between A and B will be
 (a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
54. A partner retires from the partnership firm on 30th June. He is liable for all the acts of the firm up to the
 (a) End of the current accounting period (b) End of the previous accounting period
 (c) Date of his retirement (d) Date of his final settlement
55. 'A' was a partner in a partnership firm. He died on 31st March 2019. The final amount due to him is Rs. 25,000 which is not paid immediately. It will be transferred to
 (a) A's capital account (b) A's current account
 (c) A's Executor account (d) A's Executor loan account
56. X, Y and Z were partners sharing profits and losses equally. X died on 1st April 2019. Find out the share of X in the profit of 2019 based on the profit of 2018 which showed Rs. 36,000.
 (a) Rs. 1,000 (b) Rs. 3,000 (c) Rs. 12,000 (d) Rs. 36,000

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57. That part of share capital which can be called up only on the winding up of a company is called:
 (a) Authorised capital (b) Called up capital (c) Capital reserve (d) Reserve capital
58. At the time of forfeiture, share capital account is debited with
 (a) Face value (b) Nominal value (c) Paid up amount (d) Called up amount
59. When shares are issued for purchase of assets, the amount should be credited to
 (a) Vendor's A/c (b) Sundry assets A/c (c) Share capital A/c (d) Bank A/c
60. Which of the following statement is false?
 (a) Issued capital can never be more than the authorised capital
 (b) In case of under subscription, issued capital will be less than the subscribed capital
 (c) Reserve capital can be called at the time of winding up
 (d) Paid up capital is part of called up capital
61. The amount received over and above the par value is credited to
 (a) Securities premium account (b) Calls in advance account
 (c) Share capital account (d) Forfeited shares account
62. If a share of Rs. 10 on which Rs. 8 has been paid up is forfeited. Minimum reissue price is
 (a) Rs. 10 per share (b) Rs. 8 per share (c) Rs. 5 per share (d) Rs. 2 per share
63. Supreme Ltd. forfeited 100 shares of Rs. 10 each for non-payment of final call of Rs. 2 per share. All these shares were re-issued at Rs. 9 per share. What amount will be transferred to capital reserve account?
 (a) Rs. 700 (b) Rs. 800 (c) Rs. 900 (d) Rs. 1,000
64. When the number of shares subscribed is less than the number of shares offered it is known as:
 (a) Full Subscription (b) Calls in Arrear (c) Under Subscription (d) Over Subscription
65. Which of the following is not a Government Organisation?
 (a) Indian Oil Corporation Ltd (b) Bharath Heavy Electricals Limited
 (c) Infosys Limited (d) Tamil Nadu Newsprint and Papers Ltd
66. A company issued 50,000 equity shares of Rs.10 each at a premium of Rs.3 share. Premium amount is
 (a) Rs. 1,00,000 (b) Rs. 50,000 (c) Rs. 1,50,000 (d) Rs. 2,00,000
67. Match the pair and identify the correct option
 (1) Under subscription - (i) Amount prepaid for calls
 (2) Over subscription - (ii) Subscription above the offered shares
 (3) Calls in arrear - (iii) Subscription below the offered shares
 (4) Calls in advance - (iv) Amount unpaid on calls
 (1) (2) (3) (4)
 (a) (i) (ii) (iii) (iv)
 (b) (iv) (iii) (ii) (i)
 (c) (iii) (ii) (iv) (i)

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(d) (iii) (iv) (i) (ii)

68. A preference share is one
 (i) which carries preferential right with respect to payment of dividend at fixed rate
 (ii) which carries preferential right with respect to repayment of capital on winding up
 (a) Only (i) is correct (b) Only (ii) is correct
 (c) Both (i) and (ii) are correct (d) Both (i) and (ii) are incorrect
69. After the forfeited shares are reissued, the balance in the forfeited shares account should be transferred to
 (a) General reserve account (b) Capital reserve account
 (c) Securities premium account (d) Surplus account
70. On retirement of a partner, general reserve is transferred to the
 (a) Capital account of all the partners (b) Revaluation account
 (c) Capital account of the continuing partners (d) Memorandum revaluation account
71. The financial statements do not exhibit
 a) Non-monetary data b) Past data c) Short term data d) Long term data
72. The term 'fund' refers to
 a) Current liabilities b) Working capital c) Fixed assets d) Non-current assets
73. Expenses for a business for the first year were Rs. 80,000. In the second year, it was increased to Rs. 88,000. What is the trend percentage in the second year?
 a) 10 % b) 110 % c) 90 % d) 11%
74. A comparative statement has ----- columns.
 (a) 3 (b) 4 (c) 5 (d) 6
75. In a common-size balance sheet, if the percentage of non-current assets is 60, what would be the percentage of current assets?
 a) 175 b) 125 c) 25 d) 40
76. A limited company's sales has increased from Rs. 1,25,000 to Rs. 1,50,000. How does this appear in comparative income statement?
 a) + 20 % b) + 120 % c) - 120 % d) - 20 %
77. Which of the following statements is not true?
 a) Notes and schedules also form part of financial statements.
 b) The tools of financial statement analysis include common-size statement
 c) Trend analysis refers to the study of movement of figures for one year
 d) The common-size statements show the relationship of various items with some common base, expressed as percentage of the common base
78. Balance sheet provides information about the financial position of a business concern
 a) Over a period of time b) As on a particular date
 c) For a period of time d) For the accounting period

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79. The mathematical expression that provides a measure of the relationship between two figures is called
 (a) Conclusion (b) Ratio (c) Model (d) Decision
80. Current assets excluding inventory and prepaid expenses is called
 (a) Reserves (b) Tangible assets (c) Funds (d) Quick assets
81. Debt equity ratio is a measure of
 (a) Short term solvency (b) Long term solvency (c) Profitability (d) Efficiency
82. Proportion of share holder's funds to total assets is called
 (a) Proprietary ratio (b) Capital gearing ratio (c) Debt equity ratio (d) Current ratio
83. Assets that can be converted into cash within a year or within the period of an operating cycle is ----
 (a) Tangible assets (b) Fixed assets (c) Current assets (d) intangible assets
84. Which one of the following is a fixed assets?
 (a) Short-termloans (b) Machinery (c) Inventories (d) Cash and Cash equivalents
85. Accounting Ratio can be expressed into ----- form
 (a) 4 (b) 5 (c) 3 (d) 2
86. Current Assets Rs. 12,000; Current liabilities Rs. 6,000; Current ratio is :
 (a) 1:2 (b) 2:1 (c) 1:1 (d) 2:2
87. Profitability ratios are expressed as a -----
 (a) in multiples (b) Proportion (c) Percentage (d) All the above
88. Match List I with List II and select the correct answer using the codes given below:
- | List I | List II |
|-------------------------------|-----------------------|
| (i) Current ratio | 1. Liquidity |
| (ii) Net profit ratio | 2. Efficiency |
| (iii) Debt-equity ratio | 3. Long term solvency |
| (iv) Inventory turnover ratio | 4. Profitability |
- Codes:
 (i) (ii) (iii) (iv)
 (a) 1 4 3 2
 (b) 3 2 4 1
 (c) 4 3 2 1
 (d) 1 2 3 4
89. Accounting report prepared according to the requirements of the user is
 (a) Routine accounting report (b) Special purpose report (c) Trial balance (d) Balance sheet
90. Which submenu displays groups, ledgers and voucher types in Tally?
 (a) Inventory vouchers (b) Accounting vouchers (c) Company Info (d) Account Info
91. What are the predefined Ledger(s) in Tally?
 (i) Cash (ii) Profit & Loss A/c (iii) Capital A/c
 (a) Only (i) (b) Only (ii) (c) Both (i) and (ii) (d) Both (ii) and (iii)

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92. Contra voucher is used for
(a) Master entry (b) Withdrawal of cash from bank for office use
(c) Reports (d) Credit purchase of assets
93. Salary account comes under which of the following head?
(a) Direct Incomes (b) Direct Expenses (c) Indirect Incomes (d) Indirect Expenses
94. In which voucher type credit purchase of furniture is recorded in Tally
(a) Receipt voucher (b) Journal voucher (c) Purchase voucher (d) Payment voucher
95. Which of the following options is used to view Trial Balance from Gateway of Tally?
(a) Gateway of Tally -> Reports -> Trial Balance (b) Gateway of Tally -> Trial Balance
(c) Gateway of Tally -> Reports -> Display -> Trial Balance (d) None of these
96. Which one of the following is not correctly matched?
(a) Liquid ratio - Proportion
(b) Gross profit ratio - Percentage
(c) Fixed assets turnover ratio - Percentage
(d) Debt-equity ratio - Proportion
97. Cost of revenue from operations Rs. 3,00,000; Inventory in the beginning of the year Rs. 60,000; Inventory at the close of the year Rs. 40,000. Inventory turnover ratio is
(a) 2 times (b) 3 times (c) 6 times (d) 8 times
98. Current liabilities Rs. 40,000; Current assets Rs. 1,00,000 ; Inventory Rs. 20,000 . Quick ratio is
(a) 1:1 (b) 2.5:1 (c) 2:1 (d) 1:2
99. Function key F11 is used for
(a) Company Features (b) Accounting vouchers (c) Company Configuration (d) None of these
100. Which is not the default group in Tally?
(a) Suspense account (b) Outstanding expense (c) Sales account (d) Investments