



Padalsalai's Telegram Groups!

(தலைப்பிற்கு கீழே உள்ள லிங்கை கிளிக் செய்து குழுவில் இணையவும்!)

- **Padalsalai's NEWS - Group**
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Choose the correct answers.

1. **Incomplete records are generally maintained by**
a) a company b) government c) small sized sole trader business d) multinational enterprises
2. **Opening balance of debtors rs. 30,000, cash received rs.1,00,000, credit sales rs.90,000 closing balance of debtor is**
a) Rs.30,000 b) rs.1,30,000 c) rs.40,000 d) rs.20,000
3. **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
4. **which of the following should not be recorded in the income and expenditure account**
a) sale of old news paper b) loss on sale of asset c) honorarium paid to the secretary d) sale proceeds of furniture
5. **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
6. **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 the average is**
a) 5.5 months b) 6 months c) 12 months d) 6.5 months
7. **Which of the following statement is true?**
a) Goodwill is an intangible asset b) goodwill is a current asset c) goodwill is a fictitious asset d) good will is a tangible asset
8. **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 purchase
9. **At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of**
a) All the partners b) the old partners c) the new partners d) the sacrificing partners
10. **Bala and kamala are partner sharing profits and losses in the ratio of 2:1. They admit vimala into partnership. The new profit sharing ratio between bala, kamala and vimala is agreed to 3:1:1. Find the sacrificing ratio between bala and kamala.**
a) 1:3 b) 3:1 c) 2:1 d) 1:2
11. **If the final amount due to a retiring partner is not paid immediately, it is transferred to**
a) Bank a/c b) retiring partners capital a/c c) retiring partners loan a/c d) other partners capital a/c
12. **At the time of retirement of a partner, determination of gaining ratio is required**
a) To transfer revaluation profit or loss b) to distribute accumulated profit or loss c) to adjust goodwill d) none of these
13. **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 (iii) both (i) and (ii) are correct d) both (i) and (ii) are incorrect
14. **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
15. **Which of the following statement is not true?**
a) Notes and schedules also form part of financial statement b) the tools of financial statement analysis include common – size statement c) trend analysis refer to the study of movement of figures for one year d) the common – size statements show the relationship of various of items with some common base, expressed as percentage of the common base
16. **The term fund refer to**
a) Current liabilities b) working capital c) fixed assets d) non – current assets
17. **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

(a)	1	4	3	2
(b)	3	2	4	1
(c)	4	3	2	1
(d)	1	2	3	4
18. **To test the liquidity of a concern, which of the following ratios are useful?**
(i) Quick ratio (ii) net profit ratio (iii) debt equity ratio (iv) current ratio
Select the correct answer using the codes given below:
a) (i) and (ii) b) (i) and (iv) c) (ii) and (iii) d) (ii) and (iv)
19. **Accounting report prepared according to the requirements of the user is**
a) Routine accounting report b) special purpose report c) trial report d) balance sheet
20. **Which is not the default group in tally?**
a) Suspense account b) outstanding expenses c) sales account d) investments

Choose the correct answers.

1. **Statement of affairs is a**
a) Statement of income and expenditure b) statement of assets and liabilities c) summary of cash transaction d) summary of credit transaction
2. **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 I 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
3. **Balance of receipts and payments accounts indicates the**
a) Loss increased during the period b) Excess of income over expenditure of the period c) total cash payments during the period d) cash and bank balance are the date
4. **Subscription due but not received for the current year is**
a) An assets b) a liability c) an expense d) an item to be ignored
5. **Which of the following is shown in profit and loss appropriation account?**
a) Office expenses b) salary of staff c) partner's salary d) interest on bank loan
6. **Which of the following is the incorrect pair?**
a) Interest on drawings – debited to the 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
7. **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
8. **Super profit is the difference between**
a) Capital employed and average profit b) assets and liabilities c) average profit and normal profit d) current year's profit and average profit
9. **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
10. **James and John 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
11. **On revaluation, the increase in liabilities leads to**
a) Gain b) loss c) profit d) none of these
12. **'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
13. **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
14. **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
15. **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
16. **Which of the following statement is not true?**
a) All the limitations of financial statements are applicable to financial statement analysis also
b) Financial statement analysis is only the means and not an end
c) Expert knowledge is not required in analysis the financial statements
d) Interpretation of the analysed data involves personal judgement.
17. **Debt equity ratio is a measure of**
a) Short term solvency b) long term solvency c) profitability d) efficiency
18. **Proportion of share holders funds to total assets is called**
a) Proprietary ratio b) capital gearing ratio c) debt equity ratio d) current ratio
19. **While using tally, the function key F11 is used for**
a) Company features b) accounting vouchers c) company configuration d) none of these
20. **In tally, salary account comes under which of the following head?**
a) Direct incomes b) direct expenses c) indirect incomes d) indirect expenses

Choose the correct answers.

1. 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
2. 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.1,05,000
 - c) rs.21,000
 - d) rs.64,000
3. Balance of receipts and payments account indicate 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
4. Subscription is a
 - a) Revenue expenditure
 - b) capital expenditure
 - c) revenue receipt
 - d) capital receipts
5. As per the Indian partnership act, 1932, the rate of interest allowed on loans advanced by partner is
 - a) 8% per annum
 - b) 12% per annum
 - c) 5% per annum
 - d) 6% per annum
6. In the absence of an agreement, partners are entitled to
 - a) Salary
 - b) commission
 - c) interest on loan
 - d) interest on capital
7. The average rate of return of similar concerns is considered as
 - a) Average rate of return
 - b) normal rate of return
 - c) expected rate of return
 - d) none of these
8. Book profit of 2019 is rs.35,000; non-recurring income included in the profit is rs.1,000 and abnormal loss charged in the year 2019 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
9. 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
10. 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 ratio	2. Accumulated profit
(iii) Revaluation account	3. Good will
(iv) Capital account	4. Unrecorded liability

a) 1 2 3 4 b) 3 2 4 1 c) 4 3 2 1 d) 3 1 4 2
11. 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
12. A, B and C are partners sharing profits in the ratio of 2:2:1. On retirement of B, goodwill of the firm was valued as rs.30,000. Find the contribution of A and C to compensate B:
 - a) Rs.20,000 and rs.10,000
 - b) rs.8,000 and rs.4,000
 - c) rs.10,000 and rs.20,000
 - d) rs.15,000 and rs.15,000
13. 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
14. 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
15. Which of the following tools of financial statement analysis is suitable when data relating several years are to be analysed?
 - a) Cash flow statement
 - b) common size statement
 - c) comparative statement
 - d) trend analysis
16. 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%
17. Current assets excluding inventory and prepaid expenses is called
 - a) Reserves
 - b) tangible assets
 - c) funds
 - d) quick assets
18. 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
19. Which submenu displays groups, ledgers and voucher types in tally?
 - a) Inventory vouchers
 - b) accounting vouchers
 - c) company info
 - d) account info
20. Rs.25,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded
 - a) Contra voucher
 - b) receipt voucher
 - c) payment voucher
 - d) sales voucher

Choose the correct answers.

1. **The excess of assets over liabilities is**
a) Loss b) cash c) capital d) profit
2. **Which one of the following statements is not true in relation to incomplete records?**
a) It is an unscientific method of recording transaction b) Records are maintained only for cash and personal accounts
c) It is suitable for all types of organisation d) Tax authorities do not accept
3. **Receipts and payments account records receipts and payments of**
a) Revenue nature only b) capital nature only b) both Revenue and capital nature d) none of the above
4. **Donations received for a specific purpose is**
a) Revenue receipt b) capital receipt c) revenue expenditure d) capital expenditure
5. **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
6. **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 d) interest on loan from partners is allowed at 6%
7. **Which of the following is true?**
a) Super profit = total profit / number of years b) Super profit = weighted profit / number of years
b) Super profit = average profit – normal profit d) Super profit = average profit × years of purchase
8. **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
9. **On revaluation, the increase in the value of assets leads to**
a) Gain b) loss c) expense d) none of these
10. **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
11. **On retirement of a partner from a partnership firm, accumulated profit and losses distributed to the partners in the**
a) New profit sharing ratio b) old profit sharing ratio c) gaining ratio d) sacrificing ratio
12. **A, B and C are partners sharing 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
13. **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
14. **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
(a) i ii iii iv (b) iv iii ii I (c) iii ii iv i (d) iii iv i ii
15. **The financial statement do not exhibit**
a) Non monetary data b) past data c) short term data d) long term data
16. **In a common size balance sheet, if the percentage of non- current assets is 75, what would be the percentage of current assets?**
a) 175 b) 125 c) 25 d) 100
17. **Current ratio indicates**
a) Ability to meet short term obligation b) efficiency of management c) profitability d) long term solvency
18. **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
19. **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)
20. **In which voucher type credit purchase of furniture is recorded in tally**
a) Receipt voucher b) journal voucher c) purchase voucher d) payment voucher

Choose the correct answers.

1. Which of the following items relating to bills payable is transferred to total creditors account?
a) Opening balance of bills payable b) closing balance of bills payable c) bills payable accepted during the year d) cash paid for bills payable
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. Receipts and payments account is a
a) Nominal account b) real account c) personal account d) representative personal account
4. 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
5. 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
6. 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.
a) Rs.50 b) rs.150 c) rs.550 d) rs.500
7. Revaluation account is a
a) Real account b) nominal account c) personal account d) impersonal account
8. Select the odd one out
a) Revaluation profit b) accumulated profit c) goodwill brought by new partner d) investment fluctuation fund
9. A partner retires from the partnership firm on 28th july. 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
10. 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
11. Which of the following statement is false?
a) Issued capital can be 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
12. 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
13. Which of the following is not a tool of financial statement analysis?
a) Trend analysis b) common size statement c) comparative statement d) standard costing
14. 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%
15. The mathematical expression that provides a measure of the relationship between two figures is called
a) Conclusion b) ratio c) model d) decision
16. Cost of revenue from operation 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
17. Contra voucher is used for
a) Master entry b) withdrawal of cash from bank for office use c) reports d) credit purchase of assets
18. Which of the following options is used to view trial balance from gateway of tally?
a) Gateway of tally – report – trial balance b) Gateway of tally – trial balance c) Gateway of tally – reports – display – trial balance d) None of these
19. From the following which one is correctly matched
a) Subscription – revenue receipts b) Special fund – revenue expenditure c) Purchase of sport equipment – capital receipts d) Honorarium – capital expenditure
20. Match List I with List II and select the correct answer using the codes given below:

List I	List II
(i) Remuneration to partners	1. Selection 13 (c)
(ii) Profit sharing ratio	2. Selection 13 (d)
(iii) Interest on capital	3. Selection 13 (b)
(iv) Interest on loan	4. Selection 13 (a)

a) 1 2 3 4 b) 4 3 1 2 c) 3 4 2 1 d) 2 1 4 3

Choose the correct answers.

1. **Opening balance of creditors: rs.30,000, cash paid: rs.1,00,000, credit purchase 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
2. **Which of the following should not be recorded in the income and expenditure account?**
a) Sale of old news paper b) loss on sale of asset c) honorarium paid to the secretary d) sale proceeds of machinery
3. **When a partner withdraws regularly a fixed sum of money at the beginning of every month, period for which interest is to be calculated on the drawings on an average is**
a) 5.5 months b) 6months c) 12 months d) 6.5 months
4. **At the time of admission of a partner, determination of sacrifice ratio is required**
a) To transfer revaluation profit or loss b) to distribute accumulated profits and losses c) to adjust goodwill d) none of these
5. **When the average profit is rs.50,000 and the normal profit is rs.30,000, super profit is**
a) Rs.50,000 b) rs.10,000 c) rs.20,000 d) rs.30,000
6. **On revaluation, the decrease in liabilities leads to**
a) Income b) loss c) profit d) none of these
7. **Where using tally, the function key F11 is used for**
a) Company features b) accounting vouchers c) company configuration d) none of these
8. **Which of the following is the correct pair?**
a) Interest on drawings – debited to capital account
b) Interest on capital – debited to capital account
c) Interest on loan – debited to capital account
d) Share of profit – debited to capital account
9. **Balance of income and expenditure 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
10. **Match List I with List II and select the correct answer using the codes given below:**

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(iv) Capital account	4. Unrecorded liability

a) i 2 3 4 b) 3 2 4 1 c) 4 3 2 1 d) 3 1 4 2
11. **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
12. **Rs.50,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded**
a) Contra voucher b) receipt voucher c) payments voucher d) sales voucher
13. **The excess of assets over liabilities is**
a) Loss b) cash c) capital d) surplus
14. **The total capitalised value of a business is rs.2,00,000; assets are rs.3,00,000 and liabilities are rs.1,60,000. The value of goodwill as per the capitalisation method will be**
a) Rs. 80,000 b) rs.1,40,000 c) rs.2,00,000 d) rs.60,000
15. **Profitability ratio indicates**
a) Ability to meet short term obligation b) efficiency of management c) profitability d) long term solvency
16. **Which of the following options is used to view trial balance from gateway of tally?**
a) Gateway of tally – report – trial balance b) Gateway of tally – trial balance c) Gateway of tally – reports – display – trial balance d) None of these
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19. **A,B and C were partners sharing profits and losses equally. A died on 1st April 2019. Find out the share of A 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
20. **Which of the following statement is false?**
a) Issued capital can be 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