

**B. P. COLLEGE OF BUSINESS ADMINISTRATION**

(Constituent College of Kadi Sarva Vishwavidyalaya)

BBA SEM – III**MCQ TEST September 2013****SUB: (BBA 15) Financial Accounting-II****Date: 07/09/13****Day: Saturday****TotalMarks:60****Duration: 40 minutes****Instructions:**

- All questions are compulsory.
- All questions carry 2 marks each.

Identify correct head of balance sheet for the items of Q:1 to Q:4

Q:1 Loose Tools

- [a] Secured Loans [b] Current Liabilities [c] Current Assets [d] Miscellaneous Expenditure

Q:2 Unclaimed Dividend

- [a] Secured Loans [b] Current Liabilities [c] Current Assets [d] Miscellaneous Expenditure

Q:3 Preliminary Expenses

- [a] Secured Loans [b] Current Liabilities [c] Current Assets [d] Miscellaneous Expenditure

Q:4 Debentures

- [a] Secured Loans [b] Current Liabilities [c] Current Assets [d] Miscellaneous Expenditure

Q:5 Plant & Machinery

- [a] Secured Loans [b] Current Liabilities [c] Current Assets [d] Fixed Assets

Q:6 Nominal Capital is also known as:

- [a] Registered Capital [b] Authorised Capital [c] Both [a] and [b] [d] Paid-up Capital

Q:7 A company has proposed dividend on equity shares of Rs.50000.

- [a] Debit of P & L Appropriation and Secured loan on liability [b] Debit of P & L Appropriation and Provision on liability
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- [c] Debit of P & L A/c and Provision on liability [d] Debit of Trading A/c and Reserves & Surplus on liability

Q:8 A company has paid rent in advance of Rs.100.

- [a] Credit of P & L Appropriation and Investment on Assets side [b] Debit of P & L Appropriation and Investment on Assets side
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- [c] Debit of P & L A/c and Loans and Advances on Assets side [d] Credit of P & L A/c and Loans and Advances on Assets side

Q:9 Calculate Gross Profit from the following information:

Opening Stock Rs.1,00,000; Wages Rs.500; Sales Rs.3,00,000; Closing Stock Rs.50,000; Freight Inward Rs.250; Purchases Rs.2,00,000

- [a] Rs.49,000 [b] Rs.49,250 [c] Rs.49,500 [d] Rs.50,000

Q:10 Issued Capital is part of Authorized Capital.

- [a] True [b] False

Q:11 Creditor's Turnover Ratio is expressed in terms of :

- [a] Fraction [b] Percentage [c] Proportion [d] Times

Q:12 What is the other name of Activity Ratios?

- [a] Liquidity Ratios [b] Profitability Ratios [c] Turnover Ratios [d] Solvency Ratios

Q:13 What is ideal current ratio?

- [a] 2:1 [b] 1:2 [c] 3:1 [d] 1:1

Q:14 If Current Ratio is 2.3 and working capital is Rs. 1,50,000, find out amount of Current Assets.

- [a] 2:1 [b] 1:2 [c] 3:1 [d] 1:1

Q:15 If Current Ratio is 2.3, Quick Ratio is 1.5 and working capital is Rs. 1,50,000, find out amount of stock.

[a] 2:1 [b] 1:2 [c] 3:1 [d] 1:1

From the following data, answer Q:16 to Q:20

| Liabilities | Amount | Assets | Amount |
|-------------------|-----------|-------------------|-----------|
| Equity Shares | 5,00,000 | Land & Building | 5,00,000 |
| Preference Shares | 2,00,000 | Plant & Machinery | 6,00,000 |
| General Reserves | 2,50,000 | Debtors | 2,00,000 |
| P & L A/c | 50,000 | Stock | 2,40,000 |
| 9% Debentures | 4,00,000 | Cash | 60,000 |
| Creditors | 2,00,000 | | |
| | 16,00,000 | | 16,00,000 |

Q:16 Calculate Proprietary Ratio

[a] 0.251:1 [b] 0.625:1 [c] 0.325:1 [d] 1:1

Q:17 Calculate Debt-Equity Ratio

[a] 0.4:1 [b] 0.6:1 [c] 0.2:1 [d] 0.3:1

Q:18 Calculate Capital Gearing Ratio

[a] 0.25:1 [b] 0.85:1 [c] 0.25:1 [d] 0.75:1

From the data, answer Q:19 to Q:20

Sales is Rs.25,20,000, Cost of Goods Sold is Rs.19,20,000, Net Profit is Rs.3,60,000, Stock Rs.1,00,000

Q:19 Calculate Gross Profit Ratio

[a] 20.19% [b] 21.85% [c] 23.80% [d] 24.10%

Q:20 Calculate Net Profit Ratio

[a] 12.17% [b] 20.50% [c] 14.28% [d] 13.11%

Q:21 Liquidity Ratios can be used to measure:

[a] degree of protection to long term supplier [b] borrowing capacity [c] profitability of a firm
[d] firm's ability to meet its current obligations

Q:22 Statements in which all items are expressed in relative terms (percentages of a base) are termed as:

[a] Horizontal Statements [b] Funds Statements [c] Vertical Statements [d] Common-Size Statements

Q:23 Which method of Human Resource Accounting treats human assets as any other physical assets?

[a] Replacement Cost Method [b] Historical Cost Method [c] Value based Method [d] None of these

Q:24 Which method of Human Resource Accounting is also known as 'Competitive Bidding Method'?

[a] Replacement Cost Method [b] Historical Cost Method [c] Opportunity Cost Method [d] None

Q:25 Flamholtz Model of Human Resource Accounting is also known as:

[a] Reward Valuation Model [b] Lev & Schwartz Model [c] Present Value Model [d] Jaggi – Lau's Model

Q:26 Who had suggested Replacement Cost Method of HRA?

[a] Lev & Schwartz [b] Flamholtz [c] Aha Schwartz [d] Rensis Likert

Q:27 Social Responsibility Accounting reports human assets of the company.

[a] True [b] False

Q:28 Which area of Social Responsibility Accounting is concerned with maintaining quality of goods that firm produce?

[a] Product Contribution [b] Net Income Contribution [c] Environmental Contribution [d] Public Contribution

Q:29 Which area of Social Responsibility Accounting covers the environmental aspects of production?

[a] Product Contribution [b] Net Income Contribution [c] Environmental Contribution [d] Public Contribution

Q:30 Which approach of Social Responsibility Accounting states that the social objectives must be attained in relation to the maximization of income?

[a] Classical Economists [b] Compromise [c] Both [d] None of these