

B.Com - II Semester-IV

Corporate Accounting – II

Question Bank

Prof. Gujar K. S.

M.COM. (BUSS. Admn. & Adv. A/C) M.ED. SET (Edu. & Com.)

NET. GDC&A. DMOA&FA Ph.D. (Appeared)

UNIT - I Profit/Loss Prior to Incorporation

1. The period from the date of acquisition to the date of incorporation is called as ----
A. Post Period **B. Prior Period** C. Half Year D. None of the above
2. In Profit Prior to Incorporation, Insurance premium paid is distributed in _____
A. **Time Ratio** B. Sales Ratio C. Prior Column D. Post Column
3. Which of the following expenses is not distributed in time ratio?
A. Rent Paid B. Salary C. Printing and Stationery **D. Selling Commission.**
4. The ratio between prior period sales and post period sales are called as _____
A. Time Ratio **B. Sales Ratio** C. Net Profit Ratio D. Gross Profit Ratio
5. XYZ Ltd. has acquired the business from XYZ partnership Firm as on 1st April 2020. The company was incorporated on 1st July 2020. The company prepares its accounts for the year ending 31st March 2021. Time Ratio is _____
A. 1: 2 B. 2: 3 **C. 1: 3** D. 1: 4
6. Fixed expenses and expenses incurred in office are distributed in -----
A. **Time Ratio** B. Sales Ratio C. Net Profit Ratio D. Gross Profit Ratio

7. The total turnover for the year was Rs.5,00,000 divided into Rs.1,25,000 period up to incorporation date & Rs.3,75,000 for the remaining period. Sales Ratio is _____.

- A. 3: 7 B. 3: 5 C. **1: 3** D. 1: 1

8.. The company made the Sales for the year 2020 was Rs.5,00,000 divided into Rs.1,00,000 for the period up to incorporation. Advertisement for the year was Rs. 8,000. Advertisement for the Prior Period is _____

- A. Rs. 8,000 B. Rs. 2,000 C. **Rs. 1,600** D. Nil

9. Profit earned after it's Incorporation is termed as ----- .

- A. Capital profit B. **Revenue Profit** C. Net Profit D. Gross profi

10. ABC Ltd. has taken over the business from AB partnership Firm as on 1st January 2020. The company was incorporated on 1st April 2020. The company prepares its accounts for the year ending 31st December 2020. Time Ratio is _____

- A. 1: 2 B. 2: 3 C. **1: 3** D. 1: 4

11. Rent of office building was paid at Rs. 1,000 per month up to 30th Sept. 2017 & thereafter it was increased by Rs.200 per month. The company has taken the business as on 1st April 2017. It was the incorporated on 1st August 2017. The accounts of the company were closed on the 31st March of every year. Rent of the Post Period is _____.

- A. Rs. 9,000 B. **Rs. 9,200** C. Rs. 4000 D. None of the above

12. HTP Co. Ltd was incorpoarated on 1st August 2017 to take over a running business of HTP Partnership firm from 1st April 2017. The Profit & Loss A/c was prepared for the year ended 31st March 2018. The turnover for the whole period amounted to Rs. 1,40,000 of which Rs. 60,000 related to period from 1st April 2017 to 31st July 2017. Sales Ratio is _____.

- A. 3: 7 B. **3:4** C. 2:3 D. 1:2

13. In Profit Prior to Incorporation, Preliminary expenses Posted under the head _____

A. Time Ratio B. Sales Ratio C. Prior Column D. **Uncommon post**

14. Depreciation is distributed in -----

A. **Time Ratio** B. Sales Ratio C. Net Profit Ratio D. Gross Profit Ratio

15. New John Ltd. has taken over the business from John as on 1st July 2020. The company was incorporated on 1st September 2020. The company prepares its accounts for the year ending 30th June 2021. Time Ratio is _____

A. 1: 2 B. 2: 3 **C. 1: 5** D. 1: 4

16. Profit earned before it's Incorporation is termed as ----- .

A. **Capital profit** B. Revenue Profit C. Net Profit D. Gross profit

17. Which of the following expenses is distributed in sales ratio?

A. Rent Paid B. Salary C. Printing and Stationery D. **Advertisement**

18. The sales for the prior period is $\frac{2}{3}$ of the post period sales, which is Presumed to be 3 then prior sales is -----.

A. 1 B. 3 **C. 2** D. 4

19. A Ltd. has taken over the business from B Ltd. as on 1st October 2020. The company was incorporated on 1st January 2021. The company prepares its accounts for the year ending 30th September 2021. Time Ratio is _____

A. 1: 2 B. 2: 3 **C. 1: 3** D. 1: 4

20. In Profit Prior to Incorporation, Directors fees Posted in _____

A. Time Ratio B. Sales Ratio C. Prior Column D. **Post Column**

21. The companies going into Liquidation are termed as ---- Company.

a) Private b) Public c) **Vendor** d) Vendee

11. Which of the following is not Method of Valuation of Shares?

a) Intrinsic value b) Yield/Market value c) Fair value d) **Cost value**

14. It is the mean of Intrinsic value and Market value of shares ----.

- a) Intrinsic value b) Yield/Market value c) **Fair value** d) Cost value

15. To carry out the work related to Liquidation, person appointed is called ----.

- a) Lawyer b) Chartered Accountant c) Auditor d) **Liquidator**

16. In Liquidation which is the first Priority payment?

- a) Equity Shareholder b) Liquidation expenses c) Debentures d) **Legal expenses**

17. Liquidator prepares his final report called ----.

- a) Statement of Affairs b) **Liquidator's final statement of A/c** c) P & L A/c d) Ledger

18. In Liquidation which payment made before payment of Equity Shareholder?

- a) **Preference Shareholder** b) Preferential Creditors c) Debentures d) Legal exp.

19. In Liquidation which payment made after payment of Liquidation expenses?

- a) Equity Shareholder b) **Preferential Creditors** c) Debentures d) Legal expenses

20. Preferential Creditors being ----.

- a) Secured b) **Unsecured** c) Partly secured d) Fully secured

21. If no mention of security given to Debentures is made, it's presumed as ----.

- a) Secured with floating charge b) **Unsecured** c) Debtor d) Creditor

22. If Debentures are given specific asset as security they are treated as ----.

- a) **Secured Creditors** b) Unsecured Creditors c) Debtor d) Shareholder

23. A Liquidator gets his remuneration in the form of ----.

- a) Salary b) Wages c) Profit d) **Commission**

24. Latest version of tally is ----.

- a) Tally 7.2 b) Tally 6.3 c) Tally 8.1 d) **Tally 9 ERP**

25. Tally can not provide following option ----.

- a) Accounting only b) Accounting with inventory c) Inventory only d) **Costing only**

26. In tally, providing the basic information means ----.

- a) **Creating a Company** b) Creating a group c) Creating a ledger d) Journalising

27. To select the Receipt voucher, following special function key is used ----.

- a) F6 b) F5 c) F4 d) F7

28. To select the journal voucher, following special function key is used ----.

- a) F6 b) F5 c) F4 d) F7

29. To select the payment voucher, following special function key is used ----.

- a) F6 b) F5 c) F4 d) F7

30. To select the Contra voucher, following special function key is used ----.

- a) F6 b) F5 c) F4 d) F7