

## Financial Accounting T.Y.B.Com. Sem-VI MCQs Question Bank

1. Amalgamation of companies is governed by \_\_\_\_\_.
  - a) AS-13
  - b) AS-14
  - c) AS-9
  - d) AS-11
  
2. The scheme of amalgamation can involve \_\_\_\_\_ companies.
  - a) Two & three
  - b) two
  - c) one
  - d) three
  
3. The amalgamation requires approval of \_\_\_\_\_.
  - a) High Court
  - b) Registrar of Companies
  - c) Central Government
  - d) Directors
  
4. Approval by \_\_\_\_\_ a shareholder is necessary for treatment as in nature of merger.
  - a) 51%
  - b) 75%
  - c) 90%
  - d) 80%
  
5. Approval by \_\_\_\_\_ of shareholder is required for implementation of the scheme of amalgamation.
  - a) 51%
  - b) 75%
  - c) 80%
  - d) 90%
  
6. In case of purchase method, transferee company should record assets at \_\_\_\_\_.
  - a) book value
  - b) cost
  - c) market value
  - d) agreed value
  
7. In case of pulling of interest method, transferee company should record assets at \_\_\_\_\_.
  - a) cost
  - b) market value
  - c) agreed value
  - d) book value
  
8. Amalgamation Adjustment Reserve Account is required in respect of \_\_\_\_\_.
  - a) general reserve
  - b) statutory reserve
  - c) security premium
  - d) capital reserve
  
9. The excess of net asset value over consideration is \_\_\_\_\_.
  - a) capital reserve
  - b) security premium
  - c) profit or loss
  - d) goodwill
  
10. AS-14 covers amalgamation of \_\_\_\_\_.
  - a) companies
  - b) firms
  - c) firms & company
  - d) Directors & Partners

11. On amalgamation, the transferor company transfer its assets to Realization Account at \_\_\_\_\_.  
a) agreed value                      b) book value  
c) market value                      d) original cost
12. Purchase consideration as per AS-14 is the amount payable to \_\_\_\_\_.  
a) shareholders & debenture holders   b) shareholders & creditors  
c) shareholders                      d) none of these
13. For accounting mergers, the method followed is \_\_\_\_\_.  
a) Pooling of Interest method   b) Equity method  
c) Purchase method                      d) none of these
14. Under Pooling of Interest method, the difference between purchase consideration and share capital of transferee company should be adjusted to \_\_\_\_\_.  
a) General Reserve account  
b) Goodwill Account  
c) Amalgamation Adjustment Account  
d) none of these
15. Pooling of Interest is a method of \_\_\_\_\_.  
a) Providing depreciation              b) valuation of inventory  
c) accounting for amalgamation      d) none of these
16. Under purchase method, any excess of purchase consideration over net assets acquired should be recognized as \_\_\_\_\_.  
a) goodwill                      b) capital reserve  
c) Profit & Loss Account      d) none of these
17. Profit on Realization Account is transferred by transferor company to \_\_\_\_\_.  
a) Equity Shareholders Account      b) Preference Shareholders Account  
c) Profit & Loss Account              d) none of these
18. The asset, which is not taken under Net Asset Method of calculation of purchase consideration, is \_\_\_\_\_.  
a) discount on issue of shares              b) loose tools  
c) furniture                      d) bills receivable
19. On amalgamation business is taken over by \_\_\_\_\_.  
a) New company                      b) Existing company  
c) Weak company                      d) Holding company
20. As per companies Act 1956, \_\_\_\_\_.  
a) Amalgamation includes absorption  
b) Absorption includes amalgamation  
c) Amalgamation excludes absorption  
d) Internal reconstruction includes external reconstruction
21. Accounting for amalgamation by merger is as per \_\_\_\_\_.

- a) AS 1
- b) AS13
- c) AS14
- d) AS11

22. As per AS 14 Transferor Company means the company \_\_\_\_\_.
- a) Which is amalgamated into another company
  - b) Which is newly registered
  - c) Which is none of the above
  - d) Into which a company amalgamated
23. On amalgamation preliminary expenses in Balance Sheet of Vendor Company are debited to \_\_\_\_\_.
- a) Realization A/c
  - b) Equity shareholders A/c
  - c) Cash A/c
  - d) Preference shareholder A/c
24. On amalgamation Profit and Loss, A/c debit balance in Balance Sheet of Vendor Company is transferred to \_\_\_\_\_.
- a) Realization A/c
  - b) Cash A/c
  - c) Equity shareholders A/c
  - d) Preference shareholder A/c
25. Sinking Fund appearing in the Balance Sheet of Vendor Company is transferred to \_\_\_\_\_.
- a) Realization Account
  - b) Preference Shareholders Account
  - c) Equity Shareholders Account
  - d) Purchasing Companies Account
26. On amalgamation if preference shares are settled at a premium, the premium is \_\_\_\_\_.
- a) Debited to Realization Account
  - b) Credited to Realization Account
  - c) Credited to securities premium Account
  - d) Debited to Profit and Loss Account
27. Accounting for amalgamation in the books of a Vendor Company is \_\_\_\_\_.
- a) The same in all types of amalgamation
  - b) The different in all types of amalgamation
  - c) Dependent on the type of company
  - d) Dependent on purchase consideration
28. In amalgamation as a merger all the assets and liabilities of vendor company become the assets and liabilities of \_\_\_\_\_.
- a) Transferee company
  - b) Vendor company
  - c) Holding company
  - d) Subsidiary company
29. On amalgamation as a merger all the assets and liabilities of the transferor company are incorporated in the books of Transferee Company at \_\_\_\_\_.
- a) Market value
  - b) Book value
  - c) Market value or Book value whichever is less
  - d) Agreed value

30. The asset which is not considered under Net Asset method of calculation of purchase consideration is \_\_\_\_\_.
- a) Underwriting commission
  - b) Plant and machinery
  - c) Bills receivable
  - d) Stock
31. Purchase consideration under payment method in amalgamation is \_\_\_\_\_.
- a) Payment to shareholders
  - b) Payment to debenture holders
  - c) Payment of preference shareholders
  - d) Payment of expenses
32. Under amalgamation profit on Realization is transferred to \_\_\_\_\_.
- a) Equity shareholders A/c
  - b) Preference shareholders A/c
  - c) Debenture holders A/c
  - d) Creditors A/c
33. Amalgamation adjustment reserve account is required in respect of.....
- A. General reserve
  - B. Statutory reserve
  - C. Security premium
  - D. Capital reserve
34. The excess of net asset value over consideration is.....
- A. Capital reserve
  - B. Security premium
  - C. Profit or loss
  - D. Goodwill
35. AS-14 Covers amalgamation of.....
- A. Companies
  - B. Firms
  - C. Firms and company
  - D. Directors and partners
36. Purchase consideration as per AS-14 is the amount payable to.....
- A. Shareholders and debentures
  - B. Shareholders and creditors
  - C. Shareholders
  - D. Debentures holders
37. Under pooling of interest method, the difference between purchase consideration and share capital of transferee company should be adjusted to.....
- A. General reserve account
  - B. Goodwill account
  - C. Amalgamation adjustment account
  - D. Capital reserve
38. Profit on realization account is transferred company to.....
- A. Equity shareholder account
  - B. Preference shareholders account
  - C. Profit & loss account
  - D. Debentures holders account

39. The asset, which is not taken under net asset method of calculation of purchase consideration, is.....
- A. Discount on issue of shares
  - B. Loose tools
  - C. Furniture
  - D. Bill's receivable
40. For accounting mergers, the method followed is .....
- A. Pooling of interest method
  - B. Equity method
  - C. Purchase method
  - D. Annuity method
41. On merger, Vendor companies are.....
- A. Liquidated
  - B. Formed
  - C. Dissolved
  - D. Amalgamation
42. The common feature in merger, purchase of business is.....
- A. Liquidation of at least two companies
  - B. Liquidation of at least one company
  - C. Purchase of one company by another company
  - D. Combination of at least two companies
43. As per Companies Act 1956.....
- A. Amalgamation includes absorption
  - B. Absorption includes amalgamation
  - C. Amalgamation excludes absorption
  - D. internal reconstruction includes external reconstruction
44. As per AS 14 transferor company means the company.....
- A. Which is amalgamated into another company
  - B. Which is newly registered
  - C. Which is none of the above
  - D. Into which a company amalgamated
45. Transferee company as per AS 14 is.....
- A. Vendor company
  - B. Purchasing company
  - C. Liquidated company
  - D. Dissolved company
46. On amalgamation preliminary expenses in balance sheet of vendor company are debited to.....
- A. Realization A/C
  - B. Equity shareholder A/C
  - C. Cash A/C
  - D. Preference shareholders A/C
47. On amalgamation profit and loss A/C debit balance in balance sheet of vendor company is transferred to.....
- A. Realization A/C

- B. Cash A/C
  - C. Equity shareholder A/C
  - D. Preference shareholders A/C
48. On amalgamation as a merger all assets and liabilities of the transferor company are incorporated in the books of Transferee Company at.....
- A. Market value
  - B. Book value
  - C. Market value or book value whichever is less
  - D. Agreed value
49. Under amalgamation as a purchase of business the reserves carried in the books of Transferee Company are.....
- A. Statutory reserves only
  - B. General reserve
  - C. Profit and loss account
  - D. Goodwill
50. Under amalgamation profit on Realization is transferred to.....
- A. Equity shareholder account
  - B. Preference shareholders account
  - C. Profit and loss appropriation account
  - D. Debentures account
51. On amalgamation Preliminary expenses in Balance sheet of Vendor Company are debited to .....
- a. Realization A/c
  - b. Equity Shareholders A/c
  - c. Cash A/c
  - d. Preference Shareholders A/c
52. In case of Merger method, transferee company should record Assets at .....
- a. Book Value
  - b. Cost
  - c. Market Value
  - d. Agreed Value
53. The excess of Net asset value over consideration is
- a. Capital Reserve
  - b. Security Premium
  - c. Profit or Loss
  - d. Goodwill
54. AS – 14 covers Amalgamation of .....
- a. Companies
  - b. Firm
  - c. Firm & Company
  - d. Directors & Partners

55. When the merger involves liquidation of two existing companies and formation of one new company, it is called
- Internal reconstruction
  - Absorption
  - External reconstruction
  - Amalgamation
56. Loss or profit on realization a/c is transferred by the transferor company. Under amalgamation to
- Preference shareholders A/c
  - Equity Shareholders A/c
  - Profit and loss Appropriation A/c
  - None of the above
57. External reconstruction
- Merger
  - Any expect (iv)
  - Any except (v)
  - None of above
58. According to AS 14 Transferor company means the company
- Which is Amalgamation into another Company
  - Into which a company is amalgamated
  - Which is newly formed
  - None of the above
59. On amalgamation preliminary expenses in Balance Sheet of Vendor Company are debited to -----
- |                    |                                |
|--------------------|--------------------------------|
| a) Realisation A/c | b) Equity shareholders A/c     |
| c) Cash A/c        | d) preference shareholders A/c |
60. Accounting for amalgamation in the books of the Vendor Company is-----
- The same in all types of amalgamation
  - The different in all types of amalgamation
  - Dependent on the type of company
  - Dependent on the purchase consideration
61. On amalgamation as a purchase of business assets and liabilities are transferred to the books of transferee company at-----
- |                 |               |
|-----------------|---------------|
| a) Market value | b) Book value |
| c) Agreed value | d) Cost       |
62. Under amalgamation as a purchase of business the reserve carried in the books of Transferee company -----
- |                           |                     |
|---------------------------|---------------------|
| a) Statutory Reserve only | b) General reserve  |
| c) Profit and Loss A/c    | d) All of the above |

63. Goodwill arising on amalgamation is to be-----
- a) Amortized on a systematic basis
  - b) Adjusted against general reserve
  - c) Retained in the books of Transferee Company
  - d) none of the above
64. As per AS-14, payment of expenses on amalgamation-----
- a) Becomes part of purchase consideration
  - b) Does not become part of purchase consideration
  - c) Appears in the books of Transferor Company only
  - d) None of the above
65. The assets which is not considered under Net Asset method of calculation of purchase consideration is-----
- a) Underwriting commission
  - b) Plant and Machinery
  - c) Bills receivable
  - d) stock
66. Polling of Interest is a methods of-----
- a) Accounting for amalgamation
  - b) Calculation of purchase consideration
  - c) Stock valuation
  - d) none of the above
67. In case provision for doubtful debts is against the debtors, the debtors are transferred to Realisation Account at-----
- a) Gross amount
  - b) Net amount
  - c) Market value
  - d) none of the above
68. Purchase consideration under payment method is amalgamation is-----
- a) payment to shareholders
  - b) payment to debenture holders
  - c) Payment to preference shareholders
  - d) payment to expenses
69. Under amalgamation profit on Realisation is transferred to-----
- a) Equity shareholders A/c
  - b) Preference shareholders Ac
  - c) Debenture holders A/c
  - d) Creditors A/c
70. The balance in exchange difference on transaction of export sale is transferred to-----
- a) Sales account
  - b) debtors account
  - c) Profit and Loss account
  - d) Trading account
71. The exchange difference arising due to import of raw material is transferred to-----
- a) purchase
  - b) Trading
  - c) Profit and Loss Account
  - d) suppliers
72. The currency of the enterprise preparing account is called-----
- a) foreign currency
  - b) home currency
  - c) reporting currency
  - d) own currency



73. On 1<sup>st</sup> January,2020, XYZ Ltd. invoiced goods to its USA client for \$ 10,000 payment was received on 1<sup>st</sup> March,2020. The exchange rate was: 1<sup>st</sup> January 2020: \$1=Rs. 39  
1<sup>st</sup> March, 2020\$1= Rs. 40
- a) Rs. 20,000  
b) Rs. 10,000  
c) Rs. 15,000  
d) Rs. 25,000
74. Following is not a monetary item.----
- a) Bills Receivable  
b) Cash  
c) Inventory  
d) Bills Payable
75. An exchange rate on the date of Balance Sheet is known as-----
- a) Average rate  
b) closing rate  
c) Non-monetary rate  
d) monetary rate
76. As application for translation of foreign currency is-----
- a) AS- 11  
b) AS- 13  
c) AS- 14  
d) AS-19
77. The amount of exchange difference is recorded in-----
- a) Foreign exchange fluctuation A/c  
b) General reserve A/c  
c) Profit and Loss A/c  
d) none of the above
78. At the end of the year the balance on Foreign Exchange Fluctuation A/c is transferred to—
- a) General Reserve A/c  
b) Profit and Loss A/c  
c) Balance sheet  
d) none of the above
79. At the end of the year the balance on Foreign Exchange fluctuation A/c is transferred to
- a. General Reserve A/c  
b. Profit & Loss A/c  
c. Balance Sheet  
d. None of the above
- 80 The exchange difference on settlement of liability specially for purchase of fixed asset is transferred \_\_\_\_\_.
- a) asset  
b) exchange difference  
c) depreciation  
d) profit and loss
- 81 The amount payable for purchase on the date of Balance Sheet is converted at rate \_\_\_\_\_.
- a) on date of purchase  
b) on date first payment  
c) on date of subsequent payment  
d) on date of Balance Sheet
- 82 The interest of loan is converted at rate on the date \_\_\_\_\_.
- a) of loan borrowed  
b) of accrual of interest  
c) of payment  
d) of Balance Sheet
- 83 The balance in exchange difference on transaction of export sale is transferred to \_\_\_\_\_.
- a) Sales Account  
b) Debtors Account  
c) Profit & Loss Account  
d) Trading Account

- 84 A long-term loan was obtained from Z Ltd. Rs. 20,00,000 which was recorded at \$1= Rs. 36.20, the rate on the date of the transaction. The exchange rate on the Balance Sheet date was \$1= Rs. 37.40. The loss due to exchange difference is \_\_\_\_\_.
- a) Rs. 66,312                      b) Rs. 66,000  
c) Rs. 65,000                      d) Rs. 85,000
- 85 Following is not a monetary item \_\_\_\_\_.
- a) Bills receivable                      b) Cash  
c) Inventory                              d) Bills payable
- 86 Non-monetary items are valued at \_\_\_\_\_.
- a) market price                      b) current price  
c) historical cost                      d) fluctuating price
- 87 Exchange rate is the \_\_\_\_\_.
- a) rate at Balance sheet date  
b) mean of the exchange rates  
c) proportion between two currencies  
d) rate at which asset is exchanged
- 88 ..... is a currency other than the reporting currency of an enterprise/
- a) Home currency                      b) Foreign currency  
c) Reporting Currency                      d) All of the above
- 89 ..... Currency used in presenting the financial statements.
- a) Foreign                              b) Yen  
c) Reporting                              d) None of the above
- 90 Reporting currency is the currency used in .....
- a) Presenting the financial statements  
b) Recording the financial statements  
c) Settling the financial transactions  
d) None of the above
- 91 The mean of the exchange rates in force during a period as known as .....
- a) Average rate                      b) Closing rate  
c) Reporting rate                      d) Fair rate
- 92 Money held and assets and liabilities to be received or paid in fixed or determinable amount of money is .....
- a) Non-monetary items                      b) Monetary item  
c) Current items                      d) Forward exchange contract
- 93 At the end of the year the balance on foreign exchange fluctuation A/c. is transferred to.....



- a) rate at the Balance sheet date  
 b) mean of the exchange rates  
 c) proportion between two currencies  
 d) rate at which asset is exchanged
- 105 The mean of the exchange rates in force during a period is known as \_\_\_\_\_  
 a) Average rate  
 b) Closing rate  
 c) Reporting rate  
 d) none of the above
- 106 The mean of the exchange rates in force during a period is known as \_\_\_\_\_  
 a) Debtors  
 b) Creditors  
 c) Reporting rate  
 d) Stock
- 107 The mean of the exchange rates in force during a period is known as \_\_\_\_\_  
 a) Average rate  
 b) Closing rate  
 c) Reporting rate  
 d) none of the above
- 108 Reporting currency is the currency used for \_\_\_\_\_  
 a) presenting financial statements  
 b) recording financial transactions  
 c) settling the financial transactions  
 d) none of the above
- 109 Monetary items are the assets and liabilities \_\_\_\_\_  
 a) to be received or paid in money.  
 b) to be received in fixed or determinable amount of money  
 c) to be received or paid in fixed amount
- 110 ..... Currency used in presenting the financial statements.  
 a) Foreign  
 b) Yen  
 c) Reporting  
 d) None of the above
- 111 The liabilities in foreign currency are to be carried forward to need your by conversion at \_\_\_\_\_ rate  
 a) Opening  
 b) Exchange  
 c) Current  
 d) Average
- 112 The receivable & payable in foreign currency are called \_\_\_\_\_ items.  
 a) Closing  
 b) Opening  
 c) Exchange  
 d) Average
- 113 \_\_\_\_\_ is the mean of the exchange rate during a period.  
 a) Closing rate  
 b) Average  
 c) Opening  
 d) Exchange rate
114. Non- monetary items are valued at .....
- Market Price
  - Current Price
  - Historical Cost
  - Fluctuating Price
115. Reporting currency is the currency used in .....
- Settling Financial Transactions

- b. Presenting Financial Statements
  - c. Recording Financial Transaction
  - d. None of the above
116. Exchange rate is the .....
- a. Rate at the balance sheet date
  - b. Mean of the exchange rate
  - c. Proportion between two currencies
  - d. Rate at which asset is exchanged.
117. The mean of the exchange rate in force during a period is known as .....
- a. Average Rate
  - b. Closing Rate
  - c. Reporting Rate
  - d. None of the above
118. Foreign currency is a currency .....
- a. Used in recording foreign transactions
  - b. In presenting foreign Financial statements
  - c. Other than the reporting currency
  - d. None of the above
119. Average rate is the rate .....
- a. On the balance sheet date
  - b. Is the mean of the exchange Rate
  - c. Is the proportion between two currencies
  - d. Is rate at which assets could be exchanged.
120. The amount of exchange difference is recorded in .....
- a. Foreign Exchange Fluctuation A/c
  - b. General Reserve A/c
  - c. Profit & Loss A/c
  - d. None of the above
121. Non- monetary items.
- a. Are the items exchange at fair value
  - b. Are the items other than Assets and Liabilities
  - c. Are Assets and liabilities other that monetary items
  - d. None of the above
122. Following is an example of Non – monetary item
- a. Debtors
  - b. Creditors
  - c. Bank A/c
  - d. Inventories

123. A company is created by-----

- a) Law
- b) Nature
- c) Human being
- d) All of the above

124. Winding up by NCLT is called as-----

- a) Voluntary winding up
- b) Compulsory winding up

c) (a & b) d) None of the above

125. The petition of winding up is presented by-----

- a) Creditors b) contributory
- c) Company d) All of the above

126. Equity shareholders are-----

- a) priority claimant b) Second claimant
- c) Last claimants d) No claimant

127. Preference creditors are-----

- a) Taxes b) Dues to government
- c) Wages and salaries payable d) All of the above

128. Voluntary transfer is made by the company within-----

- a) One year b) Two years
- c) Three years d) Five years

129. Liquidator's statement is prepared under section-----

- a) 143 b) 153
- c) 156 d) 173

130. In the case of compulsory winding up, official liquidator is appointed by----

- a) The central government b) The state government
- c) The registrar of companies d) The High court

131. In the case of member's voluntary winding up liquidator is appointed by-----

- a) The central government b) The company in general meeting
- c) The Board of Directors d) The Registrar of companies

132. Preferential creditors are included in list-----

- a) List C b) List B
- c) List D d) List E

133. Government dues that arose within 12 months before the date of winding up is treated as-

- a) Preferential creditors b) Secured creditors
- c) Unsecured creditors d) None of the above

134. Retirement benefit of employees exceed 20,000 per employee is considered as-----

- a) Unsecured creditors b) preferential creditors
- c) secured creditors d) none of the above

135. Arrears of preference dividend on the date of winding up-----

- a) Added to preference share capital b) Treated as secured creditors
- c) Treated as unsecured creditors d) none of the above

136. Calls received in advance is considered as-----

- a) Unsecured creditors b) Secured creditors
- c) preferential creditors d) None of the above

137. A contributory is a-----
- a) Shareholders
  - b) Debenture holders
  - c) Secured creditors
  - d) Unsecured creditors
138. List H shows ..... Account.
- a. Deficiency or Surplus
  - b. Preferential Creditors
  - c. Fixed Assets A/c
  - d. None of the above
139. Preference dividend in arrears on the date of winding up is
- a. Treated as Secured Creditors
  - b. Treated as Over-riding preferential creditors
  - c. Treated as Preferential creditor
  - d. Added to preference share capital
140. A contributory is a .....
- a. Unsecured Creditors
  - b. Preferential Creditor
  - c. Shareholder
  - d. Debenture holder
141. When the sale proceeds of pledged security is not sufficient to pay off secured creditors fully the balance due to them should be added to.....
- a. Unsecured Creditors
  - b. Preferential Creditors
  - c. Equity Share Capital
  - d. Preference Share Capital
142. List H shows \_\_\_\_\_
- a) Deficiency / Surplus a/c
  - b) Preferential creditors
  - c) Fixed Asset a/c
  - d) Current asset a/c
143. Amount of Govt. dues is a \_\_\_\_\_
- a) Secured creditors
  - b) Unsecured creditors
  - c) Preferential creditors
  - d) Trade creditors
144. List A in statement of affairs shows \_\_\_\_\_
- a) Secured Creditor
  - b) Assets not specifically pledged
  - c) Preferential creditors
  - d) Debentures

- 145 List E in statement of affairs shows \_\_\_\_\_
- a) Secured Creditor
  - b) Assets not specifically pledged
  - c) Preferential creditors
  - d) Unsecured creditors
- 146 List D in statement of affairs shows \_\_\_\_\_
- a) Secured Creditor
  - b) Assets not specifically pledged
  - c) Preferential creditors
  - d) Debenture holders secured by a floating charge
- 147 \_\_\_\_\_ is not a preferential creditor.
- a) Govt. taxes
  - b) Salary & wages
  - c) PF, Pension fund
  - d) Trade creditors
- 148 Preference dividend in arrears on the date of winding up is treated as \_\_\_\_\_
- a) Secured creditors
  - b) Over-riding preferential creditors
  - c) Preferential creditors
  - d) Added to preference share capital
- 149 Amount of calls in advance is treated as \_\_\_\_\_
- a) Secured creditors
  - b) Assets not specifically pledged
  - c) Preferential creditors
  - d) Unsecured creditors
- 150 Interest on debentures and unsecured loan is payable up to the date of actual payment \_\_\_\_\_
- a) if the company is solvent
  - b) if the company is insolvent
  - c) Whether the company is solvent or insolvent
  - d) if SEBI permits
- 151 Accrued holiday remuneration becoming payable to any workman is treated as \_\_\_\_\_
- a) Secured creditors
  - b) Over-riding preferential creditors
  - c) Unsecured creditors
  - d) fully secured creditors
- 152 Liability for compensation under workman's compensation act is treated as \_\_\_\_\_
- a) Secured creditors
  - b) Over-riding preferential creditors
  - c) Unsecured creditors



- d) fully secured creditors
- 153 A company is created by \_\_\_\_\_  
a) Law            b) Nature            c) Court            d) liquidator
- 154 Equity Shareholders are \_\_\_\_\_  
a) Priority claimant    b) Second claimant    c) last claimant            d) No claimant
- 155 In case of compulsory winding up, official liquidator is appointed by \_\_\_\_\_  
a) The Central government  
b) The State government  
c) The Registrar of Companies  
d) The high court
- 156 In case of member's voluntary winding up, liquidator is appointed by \_\_\_\_\_  
a) The Central government  
b) The company in general meeting  
c) The Registrar of Companies  
d) The high court
- 157 A contributory is a \_\_\_\_\_  
a) Shareholders  
b) Debenture holders  
c) Secured Creditors  
d) Unsecured creditors
- 158 When the sale proceeds of pledged security is not sufficient to pay off secured creditors fully, the balance due to them should be added to \_\_\_\_\_  
a) Unsecured creditors  
b) Preferential creditors  
c) Equity share capital  
d) Preference share capital
- 159 List B in statement of affairs shows \_\_\_\_\_  
a) Secured Creditor  
b) Assets not specifically pledged  
c) Assets specifically pledged  
d) Debenture holders secured by a floating charge
- 160 List C in statement of affairs shows \_\_\_\_\_  
a) Secured Creditor  
b) Assets not specifically pledged  
c) Assets specifically pledged  
d) Preferential creditors

161. If default is made in delivering the annual return to the registrar, the company is likely to face .....
- a) Compulsory winding up by the tribunal
  - b) Voluntary winding up by member
  - c) Voluntary winding up by creditors.
  - d) None of the above
- 162 List F in statement of affairs shows \_\_\_\_\_
- a) Secured Creditor
  - b) Preference shareholders
  - c) Equity shareholders
  - d) Preferential creditors
- 163 List G in statement of affairs shows \_\_\_\_\_
- a) Secured Creditor
  - b) Preference shareholders
  - c) Equity shareholders
  - d) Preferential creditors
- 164 \_\_\_\_\_ statement is a correct statement.
- a) Only an insolvent company can be liquidated
  - b) Voluntary winding up may be may be members or creditors
  - c) Liquidator is not entitled for remuneration
  - d) Government dues are unsecured creditors
- 165 In case of compulsory winding up statement of affairs is sent to \_\_\_\_\_
- a) The official liquidator
  - b) The liquidator
  - c) The Government
  - d) The High Court
- 166 Amount due to an employee out of P.F, is \_\_\_\_\_
- a) Preferential creditor
  - b) Secured creditor
  - c) unsecured creditor
  - d) Trade creditor
- 167 A petition for winding up is presented by \_\_\_\_\_
- a) Creditors
  - b) Contributory
  - c) Company
  - d) All of the above
168. Deficiency or surplus A/c is prepared as per list
- a. H

- b. B
  - c. C
  - d. E
169. Preferential creditors are included in list
- a. List C
  - b. List B
  - c. List D
  - d. List E
170. Calls received in advance is considered as .....
- a. Unsecured Creditors
  - b. Secured Creditors
  - c. Preferential Creditors
  - d. None of the above
171. Amount due to an employee out P.F. is .....
- a. Preferential Creditor
  - b. Secured Creditor
  - c. Unsecured Creditor
  - d. None of the above
172. Pref. Creditors are .....
- a. Taxes
  - b. Dues to government
  - c. Wages and salary payable
  - d. All of the above
173. Deficiency or Surplus A/c is prepared as per list
- a. H
  - b. B
  - c. C
  - d. E
174. Preferential creditors are included in list.
- a. List C
  - b. List B
  - c. List D
  - d. List E
175. Government dues that arose within 12 months before than date of winding up is treated as .....
- a. Preferential Creditors
  - b. Secured Creditors
  - c. Unsecured Creditors
  - d. None of the above
176. Arrears of preference dividend on the date of winding up is .....
- a. Added to preference share capital
  - b. Treated as secured creditors
  - c. Treated as unsecured creditors

d. None of the above

177 List ..... shows Deficiency or surplus A/c.

- a) I
- b) H
- c) A
- d) C

178 List H shows .....A/c.

- a) Deficiency or surplus
- b) Preferential creditors.
- c) Fixed Assets
- d) None of the above

179 If default is made in delivering the annual return to the registrar, the company is likely to face .....

- a) Compulsory winding up by the tribunal
- b) Voluntary winding up by member
- c) Voluntary winding up by creditors.
- d) None of the above

180 ..... is treated as over riding preferential creditors.

- a) Retirement benefits of employees
- b) Retirement benefits to workers
- c) Salary due to employees exceeding Rs. 20,000
- d) Remuneration to investigator

181 If the company is ..... interest on debentures and unsecured loan is payable upto the date of actual payment

- a) Solvent
- b) insolvent
- c) Solvent or insolvent
- d) None of the above

182 Amount of calls in advance is .....

- a) Secured creditors
- b) Assets not specifically pledged
- c) Preferential creditors
- d) Unsecured creditors

183 Arrears of preference dividend on the date of winding up is .....

- a) Treated as secured creditors
- b) Treated as overriding preferential creditors
- c) Treated as preferential creditors
- d) Added to preference share capital

184 Retirement benefits of employees exceeding amount Rs. 20,000 per employees is .....

- a) Secured creditors
- b) Over-riding preferential creditors
- c) Preferential creditors
- d) Unsecured creditors

185 Government dues that arose within 12 months before the date of winding up is .....

- a) Preferential creditor                      b) Secured creditors  
c) Unsecured creditors                      d) None of the above
- 186 Remuneration to investigator upon investigation of the affairs of the company is .....
- a) Secured creditors                      b) Unsecured creditors  
c) Preferential creditors`                      d) None of the above
- 187 Holiday remuneration payable to any workman is .....
- a) Secured creditors                      b) Over riding preferential creditors  
c) Preferential creditors                      d) Unsecured creditors
- 188 Under workman's compensation Act liability for compensation is .....
- a) Secured creditors                      b) Over riding preferential creditors  
c) Preferential creditors                      d) Unsecured creditors
- 189 If the remuneration to liquidator is payable as a percentage of collection.....
- a) Include opening cash and bank balance  
b) Exclude closing cash and bank balance  
c) Exclude opening cash and bank balance  
d) Exclude both opening and closing cash and bank balance
- 190 Assets not specifically pledged are shown in the statement of affairs under .....
- a) List A    b) List B  
c) List C    d) List D
- 191 Unsecured creditors are shown in the statement of affairs under .....
- a) List A    b) List B  
c) List E    d) List F
- 192 List 'B' in statement of affairs gives in the list of .....
- a) Secured creditors                      b) Unsecured creditors  
c) Preferential creditors                      d) Debentures.
- 193 Preferential creditors are shown in the statement of affairs under .....
- a) List A    b) List B  
c) List C    d) List D
- 194 An employees any sum due out of providend fund is .....
- a) Preferential creditors                      b) Secured creditors  
c) Unsecured creditors                      d) Partly secured creditors
- 195 When the sale proceeds of pledged security is not sufficient to pay off secured creditors fully, the balance due to them should be added to .....
- a) Unsecured creditors                      b) Preferential creditors  
c) Equity share capital                      d) Preference share capital

196. The time limit for collection of minimum subscription is-----  
 a) 15 days  
 b) 21 days  
 c) 7 days  
 d) 5 days
197. In case of shares commission cannot exceed-----  
 a) 3% of issue price  
 b) 7.5% of issue price  
 c) 5% of issue price  
 d) 2.5% of issue price
198. In case of Debentures the commission cannot exceed-----  
 a) 2.5% of issue price  
 b) 7.5% of issue price  
 c) 5% of issue price  
 d) 10% of issue price
199. When the entire issue is underwritten it is called -----  
 a) Full underwriting  
 b) Partial underwriting  
 c) No underwriting  
 d) none of the above
200. The application which bear the stamp of underwriters are called as---  
 a) Unmarked application  
 b) Marked Application  
 c) Sealed application  
 d) none of the above
201. Underwriting commission one is debited to-----  
 a) Underwriting commission A/C  
 b) Underwriter's A/c  
 c) Share Allotment A/c  
 d) None of the above
202. Underwriting commission is calculated on-----  
 a) Issue price of share underwritten  
 b) Net liability value  
 c) Marked application value  
 d) Firm underwriting value
203. Unmarked applications are-----  
 a) Application bearing no stamp of the underwriter  
 b) Firm Underwriting  
 c) Applications received by the company  
 d) Application issued by the company
204. When all the shares are underwritten it is called-----  
 a) Full underwriting  
 b) Partial underwriting
205. When some of the shares underwritten it is called-----  
 a) Full underwriting  
 b) Partial underwriting  
 c) Firm underwriting  
 d) None of the above
206. Unmarked application are-----  
 a) Application stamped by the underwriters  
 b) Application from public directly received by the company

- c) Application given to the brokers
- d) None of the above

207. Underwriter can claim remuneration on-----
- a) Face value of shares underwritten
  - b) Issue price of share underwritten
  - c) Face value of share actually purchased
  - d) None of the above
208. When an underwriter agree to purchase a certain number of shares in addition to unsubscribed share, it is called as-----
- a) Firm underwriting
  - b) partial underwriting
  - c) Full underwriting
  - d)None of the above
209. Vide SEBI guidelines underwriting commission for preference shares and debentures up to Rs. 5,00,000 should not exceed-----
- a) 2%
  - b) 2.7%
  - c) 2.5%
  - d) 5%
210. Vide SEBI guidelines underwriting commission for preference shares and debentures beyond Rs. 5,00,000 should not exceed-----
- a) 2.5%
  - b) 1.5%
  - c) 2%
  - d) 5%
211. A person cannot act as an underwriter unless he holds a certificate granted by----
- a) RBI
  - b) SEBI
  - c) ROC
  - d) MCA
212. When the benefit of firm underwriting is not given to the underwriters---
- a) Firm underwriting is treated as unmarked application
  - b) Firm underwriting is treated as marked application
  - c)Firm underwriting is ignored
  - d) None of the above
- According to the companies Act, the commission payable to underwriter for underwriting shares should not exceed
- 5 %
  - 10 %
  - 2.5 %
213. When all the shares are underwritten by the underwriters it is called
- a. Firm Underwriting
  - b. Partial Underwriting
  - c. Complete Underwriting
  - d. None of the above
214. R Limited issued a debenture of ₹ 100 each a 90. The Underwriting Commission will be paid on

- a.  100
- b.  95
- c.  105
- d.  90

215. Every company issuing shares to public must collect within 15 days

- a. 80% of the issue
- b. 90% of the issue
- c. 45% of the issue
- d. 25% of the issue

216. When all the share are underwritten it is called .....

- a. Firm underwriting
- b. Partial underwriting
- c. Full underwriting
- d. All of the above

217. The Underwriting commission in case of preference shares debentures beyond  5 lakhs as per SEBI guidelines. Should not exceed.

- a. 5%
- b. 2%
- c. 2.5%
- d. 1.5%

218. The application which bear the stamp of underwriter are called as .....

- a. Unmarked applications
- b. Marked applications
- c. Sealed Applications
- d. None of the above

219. Underwriting commission one is debited to .....

- a. Underwriting commission A/c
- b. Underwriters A/c
- c. Share Allotment A/c
- d. None of the above

220. Underwriting commission is calculated on .....

- a. Issue price of share underwritten
- b. Net liability value
- c. Marked application value
- d. Firm underwriting value

221. An Underwriters is a person

- a. Who Underwriters the issue
- b. Who find buyers for the shares
- c. Who is a broker
- d. None of the above



222. List 'A' in statement of affairs give the list of
- Preferential creditors
  - Debenture holders
  - Unsecured Creditors
  - Secured Creditors
223. The Underwriting commission in case of preference shares debentures beyond ₹ 5 lakhs as per SEBI guidelines. Should not exceed.
- 5%
  - 2%
  - 2.5%
  - 1.5%
224. A person cannot Act as an underwriter unless he holds a certificate granted by
- RBI
  - SEBI
  - ROC
  - MAV
225. Rights/ duties of partners are governed by
- LLP Agreement
  - Partnership Deed
  - A/A
  - Byelaws
226. Contribution has to be refunded on .....
- Death
  - Insolvency
  - Termination of membership
  - Any of the above
227. Accounts of LLP are to be audited by
- |                         |                       |
|-------------------------|-----------------------|
| a] Chartered Accountant | b] Cost Accountant    |
| c] Company Secretary    | d] Master of commerce |
228. Maximum number of partners in LLP is
- |       |       |        |             |
|-------|-------|--------|-------------|
| a] 20 | b] 50 | c] 100 | d] No limit |
|-------|-------|--------|-------------|
229. Agreement for LLP is in filed with
- |              |         |        |        |
|--------------|---------|--------|--------|
| a] Registrar | b] NCLT | c] ROC | d] MCA |
|--------------|---------|--------|--------|
230. Certificate of incorporation of LLP is issued by
- Registrar of firms
  - Registrar of companies
  - Registrar of co-operative societies
  - Registrar of universities

231. Book of accounts of LLP are to be preserved for  
a) 5 years    b) 7 years  
c) 8 years    d) 9 years
232. Book of accounts of LLP are maintained on  
a) cash basis    b) Accrual basis  
c) Cash basis or accrual basis      d) Cash basis and accrual basis
233. Valuation of contribution may be made by  
a) Practicing Chartered Accountant  
b) Practicing cost Accountant  
c) Panel member  
d) Any one of the above
234. Liability of partners in LLP  
a. Limited  
b. Unlimited  
c. a & b  
d. None of the above
235. LLP is created by  
a. Partnership Act  
b. LLP Act  
c. Companies Act  
d. Co-operative Society Act
236. Minimum Members required to form a LLP is  
a. 2 Members  
b. 5 Members  
c. 10 Members  
d. 15 Members
237. Accounts of LLP are to be audited by  
a. Chartered Accountant  
b. Cost Accountant  
c. Company Secretary  
d. Master of Commerce
238. Maximum number of partners in LLP is  
a. 20  
b. 50  
c. 100  
d. No Limit
239. Agreement for LLP is filed with  
a. ICAI  
b. NCLT  
c. ROC  
d. MCA
240. A partner shall cease to be a partner on .....  
a. Death

- b. Retirement
  - c. Winding up
  - d. All of the above
241. Contribution by a partner to LLP is .....
- a. Compulsory
  - b. Not Compulsory
  - c. As Specified by the agreement
  - d. None of the above
242. A partner of LLP can be
- a. An individual
  - b. A Company
  - c. A LLP
  - d. All of the above
243. LLP Has .....
- a. Perpetual succession
  - b. No Perpetual Succession
  - c. Specified period of life
  - d. None of the above
244. Contribution can be .....
- a. Tangible
  - b. Intangible
  - c. Movable / Immovable
  - d. All of the above
245. The Maximum number of partners LLP can have is
- a. 7 Partners
  - b. 50 partners
  - c. 2 Partners
  - d. No Limited
246. LLP Should have minimum
- a. 7 Partners
  - b. 50 Partners
  - c. 2 Partners
  - d. 3 Partners
- 247 ..... can become a partner in the LLP.
- a) Company incorporated in India.
  - b) LLP incorporated outside India.
  - c) Individuals resident outside India.
  - d) Any of the above
- 248 A partner of LLP has the following right, only if provided in the LLP agreement .....
- a) Participate in the management of LLP
  - b) Get remuneration for participating in the management of LLP

- c) Share equal profits in the LLP
- d) Transfer his right to share in the profit or losses of the LLP

249 LLP has .....

- a) Perpetual succession
- b) No perpetual succession
- c) Specified period of life
- d) None of the above

250 Rights/ duties of partners are governed by .....

- a) LLP agreement
- b) Partnership deed
- c) A/A
- d) Bye laws