



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Business Administration in Hospital Management

Course Name – Business Accounting & Financial Management

Course Code - BBAHMS401

(Semester IV)

Time allotted : 1 Hrs.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) Capital is a

a) Personal account	b) Real Account
c) Nominal Account	d) None of the above
- (2) Brainware University is a

a) Personal account	b) Real Account
c) Nominal Account	d) None of the above
- (3) outstanding wages is a

a) Personal account	b) Real Account
c) Nominal Account	d) None of the above
- (4) Journal is related with

a) Recording of transaction	b) Classification of an account
c) Summary of account	d) None of the above
- (5) Cash book is type of _____ but treated as a _____ of accounts

a) Subsidiary book, principal book	b) Principal book, subsidiary book
c) Subsidiary book, subsidiary book	d) None of the above
- (6) If Ram sold goods for cash, the entry will be recorded in

a) Cash book	b) Sales book
c) Journal	d) Ledger only
- (7) Original Cost of a machine Rs. 12,60,000, Salvage value is 10,000, Useful life = 5 years. Depreciation for the first year under SLM method will be

a) 2,50,000	b) 2,05,000
c) 2,52,000	d) None of the above

- (8) The main objective of providing depreciation is to
- a) Create secret reserve
 - b) Reduce the book value of assets
 - c) Allocate cost of the assets
 - d) None of the above
- (9) Long term assets having no physical existence but, possessing a value are called
- a) Intangible assets
 - b) Fixed assets
 - c) Current assets
 - d) Investments
- (10) The debts which are to be repaid within a short period (a year or less) are referred to as,
- a) Current liabilities
 - b) Fixed assets
 - c) Intangible assets
 - d) Investments
- (11) Gross profit is
- a) Cost of goods sold + Opening stock
 - b) Excess of sales over cost of goods sold
 - c) Sales fewer Purchases
 - d) Net profit fewer expenses of the period
- (12) As per golden rule of accounting for Nominal account, we debit
- a) all expenses and losses
 - b) all income and gain
 - c) the receiver
 - d) what comes in
- (13) Discounts received are
- a) Deducted by us when we pay our accounts
 - b) Deducted when we receive cash
 - c) Given by us when we sell goods on credit
 - d) None of these
- (14) If a trial balance totals do not agree, the difference must be entered in
- a) The Profit and Loss Account
 - b) A Nominal Account
 - c) The Capital Account
 - d) A Suspense Account
- (15) Balance Sheet of a firm indicates which of the following
- a) Profit or Loss over a period.
 - b) Financial position of the unit over a period.
 - c) Financial position of the unit as on a particular date.
 - d) Position of assets and liabilities over a period of time.
- (16) When money is withdrawn from the bank, the bank will ----- the account of customer
- a) Credit
 - b) Debit and Credit
 - c) Debit
 - d) None of the above
- (17) An entry with more than one debit or credit is known as
- a) Compound entry
 - b) Singly entry
 - c) Multiple entry
 - d) Double entry
- (18) Residual value of an asset is
- a) The amount realized on the sale of an asset
 - b) The price paid on the purchase of the asset
 - c) Reduced value of the asset every year
 - d) None of these
- (19) Opening capital 9,000; closing capital 16,500; drawings during the year 2,600. The amount of profit will be
- a) 10100
 - b) 4900
 - c) 9100
 - d) 10000
- (20) Expenses which remains unpaid at the end of the accounting period
- a) Outstanding expenses
 - b) Reserve
 - c) prepaid expenses
 - d) Recoverable expenses

- (21) In journal, transactions are recorded on
- a) Ascending order
 - b) Descending order
 - c) Order of preference
 - d) Chronological order
- (22) The prime function of accounting is to
- a) record economic data
 - b) provide the informational basis for action
 - c) classifying and recording business transactions
 - d) attain non-economic goals.
- (23) The basic function of financial accounting is to
- a) record all business transactions
 - b) interpret financial data
 - c) assist the management in performing functions,
 - d) none of the above.
- (24) The policy 'anticipate the profit and provide for all possible losses' arises due to
- a) convention of consistency
 - b) convention of conservatism
 - c) convention of full disclosure
 - d) convention of materiality.
- (25) The system of recording transactions based on dual aspect is called
- a) dual account system
 - b) double entry system
 - c) cash accounting
 - d) single entry system.
- (26) Debit the receiver and credit the giver is the rule for _____.
- a) Nominal account
 - b) Personal account
 - c) Real account
 - d) None of these
- (27) Summary of balances of ledger account is called
- a) trial balance
 - b) balance sheet
 - c) cash flow statement
 - d) none of these
- (28) In double entry system every business transaction affects
- a) debit and credit side of the same account
 - b) two accounts
 - c) the same side of the same account
 - d) none of the these.
- (29) In accounting credit means
- a) an entry on the right hand side of an account
 - b) increase in asset
 - c) decrease in liability
 - d) none of these.
- (30) Net profit / loss is transferred to theaccount.
- a) assets
 - b) liability
 - c) revenue
 - d) capital
- (31) All expenses are recorded in the Trading A/c.
- a) direct
 - b) indirect
 - c) cost
 - d) none of these
- (32) expenses are shown in the P/L A/c.
- a) direct
 - b) indirect
 - c) cost
 - d) none of these
- (33) The return of goods by a customer should be debited to
- a) Customer account
 - b) Return inward account
 - c) Returns outward account
 - d) Goods account
- (34) The amount of salary paid to Madhu should be debited to

- a) Madhu account
c) Salary account
- b) Cash account
d) None of these
- (35) ----- is prepared to find the financial position of business
a) Trail Balance
c) P/L account
- b) Trading account
d) Balance Sheet
- (36) From income statement we find out
a) gross profit
c) net profit
- b) financial position of business
d) all of the above.
- (37) Which of the following is a fictitious asset
a) goodwill
c) patents
- b) copyright
d) discount on issue of securities
- (38) Carriage outward is shown on the
a) debit side of trading account,
c) credit side of profit and loss account
- b) debit side of profit and loss account,
d) liability side of the balance sheet.
- (39) Cash account normally has
a) Debit balance or credit balance
c) Debit balance
- b) Credit balance
d) None of these
- (40) Withdrawals by the proprietor would
a) reduce owner's equity and increase liability
c) reduce both assets and owner's equity
- b) reduce assets and increase liabilities
d) no change.
- (41) Where ----- ends ----- begins.
a) book-keeping and accounting
c) transaction and accounting
- b) accounting and book-keeping
d) none of these
- (42) The person to whom goods are sold on credit is known as -----.
a) creditor
c) borrower
- b) debtor
d) none of these
- (43) Goodwill is a
a) fixed asset
c) intangible asset
- b) current asset
d) fictitious asset
- (44) A capital budgeting technique which does not require the computation of cost of capital for decision making purposes is,
a) Net Present Value Method
c) Profitability Index Method
- b) Internal Rate of Return Method
d) Payback Period Method
- (45) If two alternative proposals are such that the acceptance of one shall exclude the possibility of the acceptance of another then such decision making will lead to
a) Mutually Exclusive Project
c) Contingent Decision
- b) Accept Reject Decision
d) None of the above
- (46) Capital Budgeting is done for
a) Evaluating short term investment decision
c) Evaluating long term investment decision
- b) Evaluating medium term investment decision
d) None of the above
- (47) Under Net present value criterion, a project is approved if

- a) NPV is positive
c) NPV is Zero
- (48) What does financial leverage measure?
a) No change with EBIT and EPS
c) The sensibility of EPS with % change in the EBIT level
- (49) Financial management mainly focuses on
a) Efficient management of every business
c) Arrangement of funds
- (50) Time value of money indicates that
a) A unit of money obtained today is worth more than a unit of money obtained in future
c) There is no difference in the value of money obtained today and tomorrow
- (51) Cost of capital is
a) Lesser than the cost of debt capital
c) Equal to the dividend expectations of equity shareholders for the coming year
- (52) In Walter model formula D stands for
a) Dividend per share
c) Direct earnings
- (53) The major benefit of diversification is to _____.
a) Increase the expected return
c) Reduce brokerage commissions.
- (54) _____ is the minimum required rate of earnings or the cut off rate of capital expenditure.
a) Cost of capital.
c) Equity capital.
- (55) Which of the following is the first step in capital budgeting process?
a) Final approval
c) Implementing proposal
- (56) A mutually exclusive project can be selected as per payback period when it is _____
a) Less
c) More than 5 year
- (57) _____ is one that maximizes value of business, minimizes overall cost of capital, that is flexible, simple and futuristic, that ensures adequate control on affairs of business by the owners and so on.
a) Minimal Capital Structure
c) Optimal Capital Structure
- b) Funds are unlimited
d) None of the above
- b) The sensibility of EBIT with % change with respect to output
d) Percent variation in the level of production
- b) Brand dimension
d) All elements of acquiring and using means of financial resources for financial activities
- b) A unit of money obtained today is worth less than a unit of money obtained in future
d) None of the above
- b) Equal to the last dividend paid to the equity shareholders.
d) None of the above.
- b) Direct dividend.
d) None of these
- b) Increase the size of the investment portfolio.
d) Reduce the expected risk.
- b) Working capital
d) None of the above.
- b) Screening the proposal
d) Identification of investment proposal
- b) More
d) None of the above
- b) Moderate Capital Structure
d) Deficit Capital Structure

(58) The only feasible purpose of financial management is

- a) Wealth Maximization
- b) Sales Maximization
- c) Profit Maximization
- d) Assets maximization

(59) Agency cost consists of

- a) Binding
- b) Monitoring
- c) Opportunity and structure cost
- d) All of the above

(60) Risk of two securities with different expected return can be compared with:

- a) Coefficient of variation
- b) Standard deviation of securities
- c) Variance of Securities
- d) None of the above