



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Computer Applications

Course Name – Introduction to Financial Accounting

Course Code - BCAC403

(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) Accounting consists of information on

a) Cost and income for managers	b) Company's tax liability for a particular year
c) Financial conditions of an institution	d) All of these
- (2) The assets that can be converted into cash within a year are known as

a) Investments	b) Intangible assets
c) Current assets	d) None of the above
- (3) Double entry system of bookkeeping involves at least

a) One accounts	b) Two accounts
c) Three Accounts	d) None of these
- (4) Interpretation means

a) Explanation of meaning and significance of the data in Financial Statements	b) Concerned with preparation and presentation of classified data
c) Systematic analysis of recorded data	d) Methodical classification of data given in Financial Statemen
- (5) Patents, Copyrights and Trademarks are

a) Current assets	b) Fixed assets
c) Intangible assets	d) All of the above
- (6) One of these are not external users of financial information

a) Creditors	b) Investors
c) Managers	d) Government
- (7) The sales income (Credit and Cash) of a business during a given period is called

a) Transactions	b) Sales returns
c) Turnover	d) Purchase returns
- (8) The following is (are) the type(s) of Journal

- a) Purchase journal
c) Cash journal
- b) Sales journal
d) All of these
- (9) Which of the following is an identifiable non-monetary asset without physical substance?
- a) Tangible asset
c) Floating Assets
- b) Intangible Asset
d) None of the above
- (10) In income measurement & reorganization of assets & liabilities which of the following concepts goes together
- a) Periodicity, accrual, matching
c) Going concern, cost, Realization
- b) Cost, accrual, matching
d) Going concern, periodicity, reliability
- (11) Which accounting concept specifies the practice of crediting closing stock to the trading account
- a) Cost
c) Going concern
- b) Realization
d) Matching
- (12) The proprietor of the business is treated as creditor for the capital introduced by him due to _____ concept
- a) Money measurement
c) Entity
- b) Cost
d) Dual aspect
- (13) _____ states that assets equal liabilities plus capital.
- a) accounting equation
c) statements
- b) financial equation
d) none of these
- (14) A trader has made a sale of Rs.75,500 out of which cash sales amounted to Rs.25,500. He showed trade receivables on 31-3-2014 at Rs.50,000. Which concept is followed by him
- a) Going concern
c) Accrual
- b) Cost
d) Money measurement
- (15) All events of business are measured in terms of
- a) Money
c) Units
- b) Ethical Value
d) Goods
- (16) The policy of anticipate no profit and provide for all possible losses arise due to the concept of _____
- a) Consistency
c) Conservatism
- b) Disclosure
d) Matching
- (17) As per the Matching concept, Revenue – _____ = Profit
- a) Expenses
c) Assets
- b) Liabilities
d) None of these
- (18) Accountancy and Finance are
- a) Same
c) Different
- b) Almost same
d) None of these
- (19) Historical cost concept requires the valuation of an asset at
- a) Original cost
c) Net realizable value
- b) Replacement value
d) Market value
- (20) Which of the following is not the main objective of accounting
- a) Systematic recording of transactions
c) Ascertainment of financial position
- b) Ascertaining profit or loss
d) Solving tax disputes with tax authorities
- (21) Depreciation is not charged on _____.

- a) New Asset
c) Building
- b) Land
d) None of the above
- (22) The following is a statement of revenues and expenses for a specific period of time
- a) Trading account
c) Profit and loss statements
- b) Trial balance
d) Balance sheet
- (23) Balance sheets are prepared
- a) Daily
c) Monthly
- b) Weekly
d) Annually
- (24) Sales day books is best described as :
- a) Containing customers' account
c) Containing real account
- b) Part of double entry system
d) A list of credit sales
- (25) Non-Cash transactions are generally recorded through _____
- a) journal proper
c) general journal
- b) ledger
d) none of these
- (26) The difference of the trial balance total could be adjusted by the :
- a) Nominal Account
c) The Capital Account
- b) The suspense account
d) The profit and Loss account
- (27) A cash book with cash, bank and discount column is known as _____ column cash book
- a) Single
c) Triple
- b) Double
d) Quadruple
- (28) Cash discount is allowed on _____ repayment of debt.
- a) Lump sum
c) Actual
- b) Prompt
d) None of these
- (29) Drawings by owner of a business are recorded on which side of a cash book
- a) receipts
c) income
- b) payments
d) expenditure
- (30) Small items like, pencils, pens, files, etc. are written off within a year according to _ concept
- a) Materiality
c) Conservatism
- b) Consistency
d) Realization
- (31) Liabilities are
- a) Equal to the sum of assets plus owner's equity
c) Obligation of the entity to outsiders
- b) Created when stockholder contributed cash to company by stock exchange
d) All of these
- (32) What is used in preparing trial balance
- a) Specialized Journals
c) Ledger Accounts
- b) Balance Sheet
d) General Journal
- (33) Net Realizable Value of an asset means
- a) The historical cost of the asset
c) Its written down value as on a particular date
- b) Its sale value as on a particular date
d) None of these
- (34) All indirect expenses are charged against
- a) Trading Account
c) Manufacturing Account
- b) Profit and Loss Account
d) None of the above
- (35) The aggregate of direct material, direct labour and direct expenses is known as

- a) Product Cost
c) Prime Cost
- b) Manufacturing Cost
d) None of these
- (36) A part of the profit distributed to the shareholders is known as _____
a) Reserve & Surplus
c) Dividend
- b) Retained Earnings
d) None of the above
- (37) Change in the capital A/c of proprietor may occur due to _____
a) Profit earned
c) Capital Introduced
- b) Loss incurred
d) All of these
- (38) Value of goods withdrawn by the proprietor for his personal use should be credited to _____
a) Capital A/c
c) Drawings A/c
- b) Sales A/c
d) Purchases A/c
- (39) Under which method the depreciation amount remains the same throughout the life of the asset
a) Straight line
c) Sinking fund
- b) Reducing balance
d) None of these
- (40) Which of the following is not an item of a Balance Sheet
a) Accounts Receivable
c) Sales Revenue
- b) Accounts Payable
d) Outstanding Expenses
- (41) Which of the following is correct ?
a) Profit reduces capital
c) Profit Increases Capital
- b) Capital Can only come from Profit
d) Profit does not alter capital
- (42) Net profit is calculated in the _____.
a) Profit and Loss account
c) Balance sheet
- b) Trial Balance
d) Trading Account
- (43) Gross profit could be defined as _____
a) Cost of goods sold + Opening stock
c) Excess of sales over cost of goods sold
- b) Sales - purchase
d) Net profit - expenses of the period
- (44) During the preparation of final accounts the amount of bad debt is recorded in the _____.
a) Credit side of Trading account
c) Debit side of Profit and Loss account
- b) Current liability side of Balance sheet
d) current assets
- (45) The things of value possessed by the trader is called _____
a) Merchandise
c) Stock
- b) Assets
d) Purchases
- (46) Which of the following is incorrect ?
a) Goodwill is intangible asset
c) Loose tools tangible fixed asset
- b) Sundry creditors is current liabilities
d) Capital is current asset
- (47) In cash book, the favourable balance indicates
a) Credit Balance
c) Bank Overdraft
- b) Debit Balance
d) Adjusted Balance
- (48) On the bank statement, cash deposited by the company is known as
a) Credit
c) Liability
- b) Debit
d) Expenses
- (49) Bank statement also called?

- a) Cash book
c) Pass book
- b) Credit book
d) Debit book
- (50) What type of cheques is that which is issued by a firm but not deposited to the bank
- a) Uncredited cheques
c) Uncollected cheques
- b) Outstanding cheques
d) Bounced cheques
- (51) According to fixed instalment method, the depreciation of subsequent year is calculated on -
- a) Balance amount
c) Scrap value
- b) Original cost
d) None of these
- (52) According to straight line method of providing depreciation, the depreciation
- a) Remains constant
c) Decrease each year
- b) Increase each year
d) None of these
- (53) Depreciation is Charged on _____.
- a) Current Assets
c) Both Current and Fixed Assets
- b) Fixed Tangible Assets
d) None of these
- (54) Business is said to be in a profit when -
- a) Expenditure exceeds income
c) Income exceeds liability
- b) Income exceeds expenditure
d) Assets exceed expenditure
- (55) Which of the options is an example of business liability?
- a) Creditors
c) Building
- b) Cash
d) Land
- (56) Which one of the following assets could be described as a current asset?
- a) Machinery to manufacture goods for resale
c) Buildings to house the machinery
- b) Stock of goods for resale
d) Land on which the buildings stand
- (57) Goodwill would be reported in the _____ section of a classified balance sheet?
- a) Current assets
c) Intangible assets
- b) Long-term liabilities
d) Long-term investments
- (58) According to which concept all the transactions are measurable in the terms of money are recorded in accounts?
- a) business entity concept
c) money measurement concept
- b) business entity concept
d) accounting period concept
- (59) Which of the following defines outstanding salary account?
- a) natural personal account
c) representative personal account
- b) artificial personal account
d) real account
- (60) Debit the receiver, credit the giver is rule for -
- a) personal account
c) nominal account
- b) tangible real account
d) representative personal account