

BCA PRINCIPLES OF ACCOUNTING (207)

S.N	QUESTIONS	OPTION (A)	OPTION (B)	OPTION (C)	OPTION (D)	ANS
1	The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as	(A) Current assets	(B) Fixed assets	(C) Intangible assets	(D) Investments	A
2	According to which principle the same accounting methods should be used each year:	(A) Prudence	(B) Full disclosure	(C) Materiality	(D) Consistency	D
3	The elements of the accounting equation are	A) Assets, Liabilities, Capital	(B) Liabilities, Capital	(C) Liabilities	(D) Capital	A
4	Arun is a Book-seller, which item will be goods for his business ?	(A) Purchase of Computer	(B) Purchase of Fan	(C) Purchase of Furniture	(D) Purchase of Stationery	D
5	The expenses due but not paid is known as -	(A) Prepaid Expenses	(B) Debtors	(C) Outstanding Expense	(D) Bills Receivable	C
6	Which is correct. I)Dr. the receiver,Cr. the Giver II)Dr. what goes out,Cr. what comes in III)Dr. all Expenses,Cr. All Losses	(A) Only I	(B)Only II and III	(C) ALL I,II and III	(D) Only I and II	A
7	Goods destroyed by fire should be credited to	(A) Purchases A/c	(B) Sales A/c	(C) Loss by fire A/c	(D) Insurance A/c	A
8	In the books of account if a transaction is completely deleted, will it affect the trial balance?	(A) No	(B) Yes	(C) A transaction cannot be omitted	(D) May be	A
9	The respective normal account balances of Sales, Sales Returns , and Discounts allowed are?	(A) Credit, Credit, Credit	(B) Debit, credit, debit	(C) Credit, Debit, Debit	(D) Credit, Debit, Credit	C
10	Trial balance is not a conclusive proof of accuracy due to which errors. I)Error of omission II)Error of Principle III)Error of Commission IV)Compensatory Errors	(A) All I,II,III and IV	(B) Only I,II and III	(C) Only I,II and IV	(D) Only II and III	A
11	Which of the following is not the external user of accounting information?	(A) Government	(B) Shareholders	(C) Tax Authorities	(D) Financial institutions	B
12	_____ refers to the order in which the various assets and liabilities are shown in the Balance Sheet.	(A) Grouping	(B)Order of permanence	(C) Marshalling	(D) Order of liquidity	C
13	If closing stock is mentioned in trial balance,Where is it shown in Final Accounts?	(A) Credit side of Trading A/c	(B) Asset side of Balance Sheet	(C) Both A and B	(D) Not shown anywhere	B
14	Which one is false. I)Capital Expenditure is non recurring in nature and shown in P&L account. II)Revenue expenditure is incurred to conduct day to day activities	(A) Both I and II	(B) Only I	(C) Only II	(D) None is false	B

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15	Where do we show Provision of bad debts in final accounts if given in adjustments? I)Debit side of P&L II)Credit side of P&L III)Deduct from Debtors in Balance Sheet IV)Add to Debtors in Balance Sheet	(A) I and III	(B) II and IV	(C) II and III	(D) I and IV	A
16	Which is true. I)Fixed installation method is recognised by income tax department. II)The amount of depreciation in WDV method remains same.	(A) Both I and II	(B) None is true	(C) Only II	(D) Only I	B
17	Cost of machine=1,90,000 Installation=10,000 Scrap=50,000 Life=6 yrs Calculate depreciation as per SLM method	(A)25,000	(B) 23,333	(C) 33,333	(D) 21,666	A
18	Machinery purchased on 1 Oct,2016 for 40,000.This machinery was sold on Dec 2017.Calculate the total depreciation charged on machinery till date if co charges 10% as per WDV method if accounts are closed on 31st March every year.	(A) 6700	(B) 8000	(C) 5000	(D) 4850	D
19	1 oct Opening balance=400 units @Rs 20 each, 3 Oct:Purchase=300 units @Rs 10 ,5 Oct Sales=500 units.What will be total Sales value(in Rs) as per FIFO Method?	(A)Rs 9000	(B)Rs 15000	(C) Rs 10000	(D) Rs 7500	A
20	2 oct Opening balance=200 units @Rs 15 each, 4 Oct:Purchase=500 units @Rs 10 ,5 Oct Sales=600 units.What will be Closing Inventory value (in Rs) as per LIFO Method?	(A) Rs 1000	(B) Rs 500	(C) Rs 8000	(D)Rs 1500	D
21	Business enterprise is separate from its owner according to _____ concept.	(A) Money measurement	(B) Cost	(C) business entity concept	(D) Dual aspect	C
22	When proprietor withdrew cash from business for personal use , it is known as -	(A) Drawings	(B) Investment	(C) Furniture	(D) Bills Receivable	A
23	In trial balance, which accounts with is/are recorded at the credit side? I)Sales II)Sales return III)Cash IV)Loan	(A) Only I and II	(B) All of these	(C) Only I,II and IV	(D) Only I and IV	D
24	When Salary is paid by cheque, which account is credited.	(A) Cash A/c	(B) Bank A/c	(C) Salary A/c	(D) Personal A/c	B

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25	The process of transferring the debit and credit items from a journal to their respective account in the ledger is termed as?	(A) Balancing	(B) Posting	(C) Arithmetic	(D) Entry	B
26	What are the two statements prepared for summarising the transactions? I) Balance Sheet II) Journal III) P&L IV) Cash Book	(A) Only I and II	(B) Only I, II and III	(C) Only I, II and IV	(D) Only I and III	D
27	Where do we show Gas and Fuel in final accounts?	(A) Trading A/c	(B) P&L Account	(C) Balance Sheet	(D) Not shown anywhere	A
28	What are the causes of depreciation?	(A) Wear and Tear	(B) Obsolescence	(C) Expiration of legal rights	(D) All of the above	D
29	What is the formula for calculating depreciation in SLM Method?	(A) $\text{Cost} + \text{Scrap} / \text{No of Yrs}$	(B) $\text{Scrap} - \text{Cost} / \text{No of yrs}$	(C) $\text{Cost} - \text{Scrap} / \text{Useful Life}$	(D) None of these	C
30	4 Oct Opening balance=500 units @Rs 20 each, 5 Oct:Purchase=1000 units @Rs 15 ,6 Oct Sales=500 units.What will be rate at which the sales unit will be valued as per weighted avg method?	(A) Rs20	(B) Rs 15	(C) Rs 16.66	(D) 17.5	C
31	Write any 2 objectives of accounting?					
32	What are the 3 Golden rules of accounting.					
33	Write any 2 difference between capital and revenue expenditure?					
34	Write any 2 causes of depreciation .					
35	What is FIFO and LIFO method of inventory valuation.					

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