

TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
III SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS
ADVANCED ACCOUNTING QUESTION BANK

I. Fill in the blanks

1. Public limited companies should have a minimum paid up capital of []
a. Rs. 5 Lakhs b. Rs. 10 Lakhs c. Rs. 20 Lakhs d. Rs. 50 Lakhs
2. Private limited companies should have a minimum paid up capital of []
a. Rs. 5 Lakhs b. Rs. 1 Lakhs c. Rs. 10 Lakhs d. Rs. 40 Lakhs
3. In case of private companies []
a. Shares can be transferred without restrictions
b. There is restriction on transfer of shares
c. Can transfer 200 shares without consent of other shareholders
d. Can transfer 500 shares with the consent of other shareholders
4. Securities premium account can be used for []
a. Paying tax liability b. Paying dividend on shares
c. Allowing discount on reissue of forfeited shares d. To write off preliminary expenses
5. After the reissue of forfeited shares, balance of forfeited shares account is transferred to []
a. Capital reserve A/c b. Share capital c. General reserve d. Profit & loss A/c
6. Preference shares have priority over equity shares for []
a. Payment of Dividend and repayment of capital
b. Voting in annual general meeting
c. Subscribe for new issue of shares and debentures
d. Interest on money invested in company
7. Under companies Act. 2013, financial statement of companies can be prepared in []
a. Horizontal form b. Vertical form
c. Any form at the discretion of company d. None of the above
8. Under companies Act. 2013, the following income statement is prepared []
a. Trading & profit & loss Account b. Profit & loss and profit & loss appropriation A/c
c. Statement of profit & loss d. Revenue account
9. Profit prior to incorporation arises when []
a. A company is dissolved and new company is formed
b. A new company is formed in place of partnership firm
c. When there is an amalgamation of companies
d. Running business is taken over by promoters of company at date prior to date of incorporation
10. Profit before incorporation is of []
a. Capital nature b. Revenue nature
c. Both capital and revenue nature d. None of the above
11. Profit prior to incorporation is []
a. Credited to capital reserve b. Debited to goodwill
c. Profit and loss statement d. General reserve
12. Goodwill is []
a. Intangible asset b. Tangible asset
c. Fictitious asset d. None of the above
13. Goodwill is shown in company's balance sheet under the head []
a. Investments b. Miscellaneous expenditure
c. Current assets d. Non-current assets-fixed assets

14. The value of goodwill according to simple profit method is []
- The product of current year profit and number of years
 - The product of last year profit and number of years
 - The product of average profits of the given years and number of years
 - None of the above
15. Super profit is the difference between []
- Capital employed and average capital employed
 - Average profit and normal profit
 - Current year profit and last year profit
 - None of the above
16. In case of valuation of goodwill, the term 'capital employed' means the funds provided by []
- Shareholders only
 - Debenture holders only
 - Both shareholders and debenture holders
 - Shareholders, Debentureholders & creditors
17. The average capital employed can be ascertained []
- By deducting half of the current year profit from opening capital
 - By deducting half of the current year profit from closing capital
 - By adding $\frac{1}{2}$ of current years profit to closing capital
 - None of the above
18. Under the net assets method, the value of share depends on the amount available to []
- Preference share holders
 - Equity shareholders
 - Creditors
 - Debenture holders
19. Capital at the end Rs.1,00,000. It had earned a profit of Rs.20,000 during the year the average capital employed in the business will be []
- Rs. 75,000
 - Rs. 90,000
 - Rs. 1,20,000
 - Rs. 1,50,000
20. For calculating value of a share by intrinsic value method, it is essential to know []
- Normal rate of Return
 - Expected rate of return
 - Net-Assets
 - None of the above

II. Fill in the blanks

- A private company is prohibited from _____
- In case of public company there is _____ on the number on members
- 'Listed company' means a company _____
- 'One person company' means _____
- Under companies Act 2013 Financial statements should give _____ view of state of affairs of the company
- Financial statements should be presented according to _____ of companies Act
- All assets are classified as _____
- Share application money pending allotment is shown as a separate item under _____
- Share application money received by the company which is to be refunded is shown under major head _____ and sub head _____
- Credit balance of profit loss statement is shown under major head _____ and sub head _____
- Debit balance of profit & loss statement is shown under major head _____ and sub head _____ as a _____
- Bank overdraft is shown in balance sheet under major head _____ and sub head _____
- The excess of average profits over normal profit is known as _____
- Average capital employed may be calculated by adding half of the current year profit to _____
- Normal profit may be calculated with the help of normal rate of return and _____
- In order to ascertain _____ value of shares it is essential to find out the value of net assets of the company
- Intrinsic value of shares is calculated by dividing net assets of the company by _____

18. Fair value of shares is the simple average of _____ value and _____ value of a share
19. Premises Rs. 9,00,000 machinery Rs. 12,00,000 cash & bank balances Rs. 1,00,000 liabilities outsiders Rs. 1,00,000 capital employed is _____
20. Capital employed Rs. 1,00,000 normal profit expected in similar concerns 10% average profit of the business Rs. 40,000. The value of goodwill on the basis of 3 years purchase of super profit is Rs. _____

III. Short Answers.

1. Foreign company.
2. Government company.
3. Statutory company.
4. Good will.
5. Debentures.