TELANGANA UNIVERSITY

S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029) II SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS

FINANCIAL ACCOUNTING QUESTION BANK

I. Multiple choice questions.							
1. A bill of exchange has part							
a) 2 Ans: (c)	b) 4	c) 3	d) 6				
2. The party which is ordered	d to pay the amount of	bill of exchange is called:					
a) Drawer	b) Drawee	c) Payee	d) None of these				
Ans: (c)							
3. The party which is entitled	I to receive the paymer	nt of bill of exchange is known	as:				
a) Drawer	b) Drawee	c) Payee	d) None of these				
Ans: (a)							
4.Due date of a bill of exchar	nge drawn on 30th Janu	uary, 2011 for one month will b	oe:				
a) 29 Feb.	b) 3 Mar.	c) 4 Mar.	d) 5 Mar.				
Ans: (b)							
5. When noting charges are	paid by the bank at the	time of dishonor of bill, the Dr	rawee credits:				
a) Cash A/c	b) Drawer's A/c	c) B/R A/c	d) Drawee A/c				
Ans: (c)							
6. While calculating the due date of the bill, how many days are added to the period of the bill:							
a) 4 days	b) 3 days	c) 5 days	d) Neither of these				
Ans: (b)							
7. X draws a bill on Y for Rs. 3	3,000. X endorsed this l	bill to Z. Y will pay the bill amo	unt to:				
a) X	b) Z	c) To himself	d) None of these				
Ans: (b)							
8. Fees paid in cash to Notar	y Public is changed by:						
a) Drawer	b) Drawee	c) Holder of the bill	d) None of these				
Ans: (c)							
9. The promissory note shou	ld be signed by:						
a) Drawer	b) Drawee	c) Payee	d) Promiser				
Ans: (d)							
10. If the due date is a public	holiday, what will be t	he due date of the bill?					
a) Following day	b) Preceding day	c) The same day only	d) One month later				
Ans: (a)							
11. In accounting consignme	nt, signifies						
(a) Goods forwarded from or	ne place to another	(b) Goods forwarded b	y a person to another.				
(c) Goods dispatched by its o	wner to its agent						
(d) Goods dispatched by it ov	wner to his agent for th	ne purpose of sale.					
Ans: (d)							
12. Goods sent on consignment	ent should be debited I	oy consignor to:					
(a) Consignment account		(b) Goods sent on consignmen	nt account				
(c) Consignors account		(d) none of these					
Ans: (a)							
13. In the books of consignor	r the balance of the cor	nsignment stock would be show	wn:				
(a) As an asset in the balance	e sheet	(b) As liability in the balance s	heet				
(c) On the credit side of the t	rading account	(d) None of these					
Ans: (a)							

(a) Cor b) Cor c) No d) nor	n the books of consignee, on dispatch of goo Consignment account [Dr.] to goods sent on onsignment account [Dr.] to consignor accor o entry one of these	consignme	_	="	2 :	
	(c) n the books of consignee the expenses incur onsignment account (b) Cash account		_		d to: (d) None of these	
Ans: (c	` ,					
	n the books of consignee the sale of goods is					
-		count ((c) consignee's	account	(d) None of these	
Ans: (a	• •					
	Consignee becomes a debtor of the consigno					
		(b) The goods are received(d) none of these				
Ans: (c	. ,	ione or the	se			
•	An account sales is a statement which shows	the details	about the			
	oods received (b) Goods sold		ds lying unsold	(d) No	ne of these	
Ans: (b	• •	(6) 0000		(4) 110	ine or these	
•	Oel credere commission is given when the co	nsignee				
		_	nary commiss	ion		
		, None of the	•			
Ans: (c	• •					
20. De	Oel Credere commission that is given to the o	consignee is	to cover			
a) Nor	ormal loss (b) Abnormal loss (c) L	oss of bad	debts	(d) None of th	nese	
Ans: (c	(c)					
	Fill in the blanks					
1.	A bill of Exchange is a instru	ıment.				
_	Ans: Negotiable					
2.	the person who draws or makes the bill i	s called				
2	Ans: Drawer					
3.	 The person who accepts the bill is called _ Ans: drawee 					
1	I. The date on which bill becomes due for p	avmonts is	called			
4.	Ans: due date	ayments is	caneu	·		
5	On the due date, if bill amount is failed to	navitisc	alled			
٦.	Ans: dishonored	pay, it is c	uncu	<u> </u>		
6.	 If bills extended on the request if the drawn 	wer due to	unable to hon	or is called	of bill.	
	Ans: Renewal					
7.	Making the payment before the due date	of maturit	v is known as	0	f bill.	
	Ans: Retiring		, -			
8.	8. No. of parties involved in bills of exchang	e				
	Ans: 3					
9.	. No of parties involved in bills of promisso	ry note				
	Ans: 2					
10.	.0. Normally allowable additional days after	due date is	called	period.		
	Ans: Grace					
11.	.1. Goods dispatched by a manufacturer or v	vholesaler t	to an agent foi	r the purpose	of sale are called	
						
	Ans: Consignment					
	.2. Abnormal loss is credited toac	count.				
An	Ans: Consignment					

13. Del-Credere commission is normally calculated onsales.
Ans: Total
14. The document giving the description of goods and their price sent to the consignee by the consignor is
known as
Ans: Proforma invoice
15. Consignment account of the nature of a account.
Ans: Normal
16. Consignment facilitates without much initial and on-going cost.
Ans: Expansion
17. The detail of sale proceeds, expenses and commission are contained in a statement which is sent by
the is known as
Ans: Consignee, account sales
18is an additional commission paid to a consignee for undertaking responsibility of
collecting debts and bearing risks of involved in credit sales.
Ans: Del credere commission, bad debts
19. Stock on consignment will be valued at or whichever is.
Ans: Cost, market price, lower
20. Consignment account is an account and it is prepared to ascertain the profit or loss on
separately.
Ans: nominal, each consignment.
Short Answers
 What is a bill of exchange?
2. Write any two features of bill of exchange?
3. Name of the parties involved in bill of exchange?
4. What is "term" of a Bill?
5. Definition of promissory note?
6. What are non trading concerns?

7. State any two features of non profit organizations?8. What is the main objective of a non trading concern?9. List any two sources of income of a non trading concern?

10. List any two differences between a trading and a non trading concern?