

IV SEM CORPORATE ACCOUNTING

INTERNAL-II

1. _____ refers to the process of re organization of a company's capital structure without going for liquidation of a new company [c]
(a) Amalgamation (b) Acquisition (c) Internal reconstruction (d) External reconstruction
2. Internal reconstruction scheme is adopted by the company in order to alter or reduce its _____ [b]
(a) Asset value (b) Share capital (c) Share value (d) None of the above
3. The main aim of internal reconstruction is to find out the true _____ of the company by eliminating accumulated losses incurred in the previous year [c]
(a) Share value (b) Asset value (c) Financial position (d) None of the above
4. In case of internal reconstruction the existing company will be [d]
(a) Liquidated (b) Amalgamated (c) Absorbed (d) None of the above
5. When a company is formed to acquired an existing business, it way take over [d]
(a) Entire business (b) Fixed assets (c) Floating assets (d) all the above
6. _____ company is the one which purchases the business of another [b]
(a) Selling (b) Acquiring (c) Joint stock (d) None of the above
7. At the time of acquiring a business the net assets which are acquired are compared with _____ [c]
(a) Selling price (b) Net income (c) Purchase price (d) None of the above
8. The process of conversion of a sole traders concern or partnership firm into a joint stock company is referred as _____ [a]
(a) Business acquisition (b) Amalgamation (c) Liquidation (d) None of the above
9. The company earns income if net value of assets exceeds the purchase price which is known as ____ [b]
(a) Capital income (b) Capital reserve (c) Net capital (d) None of the above
10. The accounting process of capital reduction may take place under _____ [d]
(a) By reducing the liability of uncalled shares (b) By writing off excess paid up capital
(c) By writing off unpaid share capital (d) All of the above
11. In india banking company is regulated by [b]
(a) Reserve Bank of india (b) Banking regulation act (c) Company act (d) None of the above
12. Banks usually maintains _____ types of cash book [b]
(a) 1 (b) 2 (c) 3 (d) 4
13. The form 'A' of the third schedule of banking regulation act is used for preparing _____ [a]
(a) Balance sheet (b) Profit and loss a/c (c) Both a and b (d) None of the above
14. A loan or asset is considered as NPA, if it remains due for over a period of _____ days [d]
(a) 60 (b) 100 (c) 80 (d) 90
15. The form 'B' of the third schedule of banking regulation act is used for preparing [a]
(a) Profit and loss account (b) Balance sheet (c) Both a and b (d) None of the above
16. IRDA stands for _____ [b]
(a) Indian rural development authority (b) Insurance regulatory and development authority
(c) Insurance rural development authority (d) Insurance revenue development authority
17. Valid consideration, free consent, legality of object, legal relationship are essentials of _____ [a]
(a) Life insurance (b) Marine insurance (c) Fire insurance (d) Health insurance
18. The type of insurance which comes under non – life insurance/general insurance are _____ [d]
(a) Aviation insurance (b) Business insurance(c) Automobile insurance (d) All the above
19. Benefits paid comes under schedule _____ [a]
(a) Schedule - 4 (b) Schedule - 3 (c) Schedule - 2 (d) Schedule - 1
20. The profit or deficiency is determined by preparing a statement called [c]
(a) Profit and loss a/c (b) Trading a/c (c) Valuation balance sheet (d) Balance sheet

1. Internal reconstruction aims at rearranging the company's share capital by writing off **Fictitious assets**
2. Internal reconstruction refers to the process of re-organization of a company's **Capital structure** without going for liquidation of a new company
3. **Internal reconstruction** scheme is adopted by the companies in order to reduce their share capital
4. The Indian companies act, 1956, contains some provision under **100 - 105** which are to be considered by the company for reducing its share capital
5. When reducing the paid up share capital amount **Capital reduction** is to be under credit side
6. The company which is selling its business is known as **Vendor/seller**
7. **Purchase consideration** is the amount which is to be paid by the purchasing company for acquiring business from the vendor
8. When same set of books are continued in acquisition of business, the assets and liabilities which are left with the vendor company must be divided into **Profit sharing** ration
9. The **Acquiring company** may start either a new business or continue with the same business
10. The purchase consideration is divided based upon the **Agreement** between the parties
11. **Slip system of ledger posting** is used to update the individual customers account quickly and efficiently
12. The amount of unearned discount or unexpired discount is known as **Rebate on bills discounted**
13. The two types of cash book maintained by banks are **Rough cash book and fair cash book**
14. **Contingent liabilities** Shows the liabilities which are not included in the balance sheet
15. **Day book** records all the transactions which takes place in the particular working day
16. The insurance that pays death benefits to the beneficiaries after the death of the insured is known as **Life insurance**
17. **General insurance** refers to insurance of products excluding the life insurance
18. Life insurance is a **Long term** contract
19. A considerable amount is taken by the insurance company to bear the risk of insured which is known as **Premium**
20. Surrender value is shown in schedule -4 as an **Expenditure**

III. Short Answers.

1. Amalgamation ?
2. Absorption?
3. Purchase consideration?
4. Liquidator?
5. Internal re-construction?
6. Premium?
7. Claims?
8. Re-insurance?
9. Marine Insurance?
10. Bank?