

S.S.R. DEGREE COLLEGE, (AUTONOMOUS) NIZAMABAD (C.C:5029)

II SEMESTER INTERNAL ASSESSMENT - I EXAMINATIONS

BCOM - FINANCIAL ACCOUNTING

QUESTION BANK

I. Multiple choice questions.

1. A Bill of Exchange has parties []
a) 2 b) 4 c)3 d)6

2. The party which is ordered to pay the amount of bill of exchange is called []
a)Drawer b) Drawee c)Payee d)None of these

3. The party which is entitled to receive the payment of bill of exchange is known as : []
a) Drawer b)Drawee c)Payee d)None of these

4. Due date of a bill of exchange drawn on 30th January, 2011 for one month will be: []
a) 29Feb b)3 Mar c)4 Mar d) 5Mar

5. When noting charges are paid by the bank at the time of dishonour of bill, the Drawee credits []
a) Cash A/c b)Drawer's A/c c)B/R A/c d)Drawee A/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) 4 days (d) Neither of these

7. X draws a bill on Y for Rs. 3,000. X endorsed this bill to Z. Y will pay the bill amount to: []
(a) X (b) Z (c) To himself (d) None of these

8. Fees paid in cash to Notary Public is charged by: []
(a) Draveer (b) Draw (c)Holder of the bill (d)None of these

9. The promissory note should be signed by: []
(a) Drawer (b) Drawee (c) Payee (d) Promiser

10. If the due date is a public holiday, what will be the due date of the bill: []
a) Following day (b)Preceding day (c) The same day only (d) One month later

11. In accounting consignment, significance []
a) goods forwarded from one place to another
c) goods despatched by its owner to its agent
the purpose of sale b) goods forwarded by a person to another
d) goods despatched by its owner to his agent for

12. Good sent on consignment should be debited by consignor to []
a) consignment account b) goods sent on consignment account
c) consignors account d) None of these

13. In the books of consignor the balance of the consignment stock would be shown: []
a) as an asset in the balance sheet b) as liability in the balance sheet
c) On the credit side of the trading account d) None of these

14. In the books of consignee, on despatch of goods by the consignor the entry would be: []
a) Consignment account [Dr] to goods sent on consignment account [Dr]
b) consignment account [Dr] To consignor account [Dr]
c) No entry
d) None of these

15. In the books of consignee the expenses incurred by him on consignment are debited to: []
a) consignment account b) cash account c) consignor's account d) None of these

16. In the books of consignee the sale of goods is credited to: []
a) consignor's account b) sales account c) consignee's account d) None of these

17. Consignee becomes a debtor of the consignor when []
a) the goods are dispatched b) the goods are received
c) the goods are sold d) None of these

18. An account sales is a statement which shows the details about the []
a) goods received b) goods sold
c) goods lying unsold d) None of these

19. Del credere commission is given when the consignee []
a) sells all the goods on credit b) gets no ordinary commission
c) bears the loss of bad debts. d) None of these

20. Del Credere commission that is given to the consignee is to cover []
a) normal loss b) abnormal loss c) loss of bad debts d) None of these

II. Fill in the Blanks.

1. A bill of exchange is a _____ instrument
2. The person who draws or makes the bill is called _____
3. The person who accepts the bill is called _____
4. The date on which bill becomes due for payment is called _____
5. On the due date, if bill amount is fall pay, it is called _____
6. If bills extended on the request if the drawer due to unable to honour is called _____ of bill.
7. Making the payment before the due date of maturity is known as _____ a bill.
8. No. of parties involved in bills of exchange _____.
9. No. of parties involved in bills of promissory Note _____.

10. Normally allowable additional days after due date is called _____ period.

11. Goods dispatched by a manufacture or wholesaler to an agent for the purpose of sale are called _____

12. Abnormal loss is credited to _____ account.

13. Del- Credere commission is normally calculated on _____ sales

14. The document giving the description of goods and their price sent to the consignee by the consignor is known as _____

15. Consignment account of the nature of a _____ account.

16. Consignment facilities _____ without much initial and on- going cost.

17. The detail of sale proceeds, expenses and commission are contained in a statement which is sent by the _____ is known as _____

18. _____ is an additional commission paid to a consignee for undertaking responsibility of collecting debts and bearing risks of _____ involved in credit sales.

19. Stock on consignment will be valued at _____ or _____ whichever is _____

20. Consignment account is a _____ account and it is prepared to ascertain the profit or loss on _____ separately.

III. Descriptive questions.

1. What is bills of exchange? Explain the features and parties of bills of exchange
2. What is promissory note? Explain the features of promissory note
3. Explain different types of Bills
4. What is Consignment? Explain the features of consignment business?
5. What is Consignment? Difference between Consignment and sale?
6. What is a **Proforma Invoice**? State its purpose.