S.S.R. DEGREE & PG COLLEGE (Autonomous)
III SEMESTER INTERNAL ASSESSMENT I EXAMINATIONS
ADVANCED ACCOUNTING QUESTION BANK

I. Fill in the blanks

1. In the absence of an agreement profits are divided among the partners in the ratio of [b]
a. Capital b. Equally c. Time devoted for management d. None of these

2. In the absence of an agreement interest on partners loan is paid in the ratio of [c]
a. 4% b. 5% c. 6% d. 10%

3. In the absence of agreement, partners are not entitled to receive [d]
a. Salary b. Commission c. Interest on capital d. All the above

4. Partner's current Accounts are opened when capitals are [a]
a. Fixed b. Fluctuating c. Fixed or Fluctuating d. All the above

5. When dates of withdrawals are not given, Interest on Drawings is charged for [b]
a. 5 ½ months b. 6 months c. 5 months d. 12 months

6. Interest on capital is calculated on the [a]
a. Opening capital b. Closing capital c. Average capital d. Closing capital less Drawings

7. The current account of a partner will always have [d]
a. Credit balance b. Debit balance
c. No balance d. May have debit or credit balance

8. If at the time of admission, profit & loss account appears in the books, it will be transferred to [c]
a. Profit & loss adjustment A/c b. All partners capital accounts
c. Old partners capital account d. Revaluation account

9. Realisation account is a [c]
a. Personal account b. Real account c. Nominal account d. None of this

10. On dissolution all assets are transferred to realization account at their [a]
a. Book value b. Market value
c. Realised value d. Market or cost price which is ever is less

11. Provision for bad debts appearing in the books at the time of dissolution of firm in transferred to [c]
a. Debtors account b. Bad debts account
c. Realisation account d. Partners capital account

12. On dissolution, goodwill account is transferred to [b]
a. Revaluation account b. Realisation account
c. partners capital accounts d. Profit & loss account

13. On dissolution of a firm, bank overdraft is transferred to [c]
a. Cash account b. Bank account
c. Realisation account d. Partners capital account

14. On dissolution of a firm, partners loan account is transferred to [b]
a. Cash account b. Realisation account
c. Partners capital account d. None of the above

15. Unrecorded assets when taken over by a partner are shown on [c]
a. Debit of realization account b. Debit of bank account
c. Credit of realization account d. Credit of bank account

16. Unrecorded liabilities when paid are shown in [a]
a. Debit side of realization account b. Debit side of bank account
c. Credit side of realization account d. Credit side of Liabilities account

17. A company is formed [b]
a. By special act. Of parliament b. Under companies act.
c. General agreement among potential investors d. None of the above

18. Shareholders are [c]

a. Creditors b. Customers c. Owners d. Partners

19. The liability of equity shareholders is [b]

a. Unlimited b. Limited upto c. Guarantee given by them d. None of the above

20. Authorized capital is [c]

a. That part of capital which is issued by the company

b. The amount of capital which is actually applied by prospective shareholders

c. Maximum amount of capital which it is authorized to issue

d. Amount actually paid by shareholders

II. Fill in the blanks

1. Partners current account are prepared, when capital accounts are ________________ (Fixed)
2. In the absence of any agreement, regarding profit sharing ratio the profit or loss should be shared ____________________ (Equally)
3. In the absence of an agreement, partners are _____________ entitled to receive salary. (Not)
4. A and B are partners sharing profit in the ration of 3:2 C is admitted with 1/5th share in the profits. Future profit sharing ratio will be ___________________(12 : 8 : 5)
5. A and B are partners sharing profits in the ration of 5:3. C is admitted as a partner and new profit sharing ratio among A, B and C is 8:5:3. The sacrificing ratio is _____________(1 : 1)
6. A, B and C are partners sharing profits in the ratio of 6:5:3 D is admitted with 1/8th share. Their future profit sharing ratio will be ______________________(42 : 35 : 21 : 8)
7. A and B are partners sharing profits and losses in the ratio of 2:1 They admit C and new ratio agreed up on is 8:4:3 The sacrificing ratio will be _________________ (4 : 2)
8. A and B are partners sharing profits and losses in the ratio of 5:3 They admitted C with 3/10th share of profit. New profit sharing will be ________________ (7 : 5 : 3)
9. In case of dissolution of partnership business in _____________________ (Continued)
10. In case of dissolution of firm business is ___________________ (Discontinued)
11. In case of dissolution, a new account called ______________ is prepared (Realisation Account)
12. If creditors are Rs. 20,000, Total of capital accounts Rs. 80,000 cash Rs. 15,000. The book value of other sundry assets is _____________________ **(₹85,000)**
13. If the liabilities of firm are S creditors Rs. 45000 loan from A Rs.20,000, A capital Rs. 15,000 B capital Rs. 10,000 book value of assets is ___________________ **(₹90,000)**
14. Assets are transferred to _____________ side of realization A/c **(Debit)**
15. Liabilities to third partners are transferred to ___________ side of realization A/c **(Credit)**
16. Provision for D debts is transferred to ______________side of realization A/c **(Credit)**
17. Govt. company means __________________ **(A company in which not less than 51% of the paid-up share capital is held by the Government)**
18. Foreign company means ____________________**(incorporated outside India but having a place of business in India**
19. In case of a private company the maximum number of member is _______________ **(200)**
20. In case of private company there is restriction on ___________________**(Transfer of shares)**

III. Short Answer Questions

1. Good will.
2. Sacrificing Ratio
3. Realization Accounts
4. Insolvency of Partner.
5. Gaining Ratio