

SEM	SET	PAPER CODE	TITLE OF THE PAPER
II	2014	14UCO230203	FINANCIAL ACCOUNTING – II

SECTION - A**Answer all the questions:****25 × 1 = 25****Choose the correct answer:**

- On a admission of a partner, if a goodwill account is to be raised, this should debited to
 - Partner's capital A/c
 - Goodwill A/c
 - Revaluation A/c
 - None
- If the partner's capital accounts are fixed, salary payable to a partner is recorded in
 - Revaluation A/c
 - Capital A/c
 - Current A/c
 - None
- On Admission of a new partner, balance of General Reserve A/c should be transferred to the capital A/c of
 - All partners in their new profit sharing ratio
 - Old partners in their old profit sharing ratio
 - Old partners in their new profit sharing ratio
 - None
- A, B and C are sharing profits in the ratio of $\frac{2}{5} : \frac{2}{5} : \frac{1}{5}$. C, retired from a business and share was purchased equally by A and B. Then the new profit sharing ratio shall be
 - $\frac{1}{2} : \frac{1}{2}$
 - $\frac{2}{5} : \frac{3}{5}$
 - $\frac{3}{5} : \frac{3}{5}$
 - None

5. When the amount due to an outgoing partner is not paid immediately, then it is transferred to
- a) Capital A/c
 - b) Loan A/c
 - c) Cash A/c
 - d) None
6. The complete break-down of partnership is
- a) Dissolution of the firm
 - b) Dissolution of a partnership
 - c) Reconstitution of a firm
 - d) None of the above
7. Garner Vs Murray rule is applicable only if a partner is
- a) Solvent
 - b) Insolvent
 - c) Admitted
 - d) None
8. Pick out the circumstances under which the court can dissolve the firm:
- a) When a partner becomes unsound mind
 - b) When a partner dies
 - c) When a venture is completed
 - d) None
9. Old ratio – New ratio =
- a) Sacrificing ratio
 - b) Profit ratio
 - c) Loss ratio
 - d) Agreed-ratio
10. The purchase consideration at the time of sale to a company is credited to
- a) Capital A/c
 - b) Realization A/c
 - c) Revaluation A/c
 - d) None
11. The branch which does not maintain its own sets of books is called
- a) A foreign branch
 - b) Independent branch
 - c) Dependent branch
 - d) None
12. Under debtors system, the balance account is
- a) Real A/c
 - b) Nominal A/c
 - c) Personal A/c
 - d) None of the above

13. If profit on cost is 25%, then profit on sale would be
- a) 20%
 - b) 25%
 - c) 30%
 - d) None
14. Under debtors system, the debtors at close are shown
- a) One the credit side of H.O. Account
 - b) One of debit side of Branch Account
 - c) On the credit side of Branch account
 - d) Are not show in the branch A/c
15. Goods sent by head office to the branch, but not received by the branch is called
- a) Good sent
 - b) Goods in transit
 - c) Goods returned
 - d) None
16. Under Hire-purchase system, the buyer becomes the owners of goods immediately after
- a) The receipt of goods
 - b) The down payment
 - c) The payment of last instalment
 - d) The agreement
17. The difference between hire-purchase price and cash price is called _____.
- a) Interest
 - b) Profit
 - c) Dividend
 - d) None
18. The loss on goods repossessed is credited to
- a) Shoe stock A/c
 - b) Hire-purchase stock A/c
 - c) Hire-purchase adjustment A/c
 - d) Hire-purchase debtors A/c
19. In case of instalments purchase, the buyer is
- a) A bailee
 - b) Not a bailee
 - c) Debtor
 - d) None
20. As a legal owner, in case of installment purchase the buyer can
- a) Sell
 - b) Exchange
 - c) Dispose goods
 - d) All the above

21. Under the average clause, the loss is suffered by both insurer and insured
- a) In the ratio of risk covered b) Only by the insurer
c) In equal ratio d) None
22. The main object of average clause is to
- a) Discourage under-insurer b) Encourage full insurance
c) Discourage full insurance d) None
23. _____ refers to the sales effected in the preceding period corresponding to the indemnity period.
- a) Short sales b) Annual sales
c) Standard sales d) None of the above
24. Fire-Insurance is a contract of:
- a) Guarantee b) Indemnity
c) Loan d) None
25. A property of ` 20,00,000 is insured for ` 15,00,000. This property is completely lost in fire. As per average clause, the loss to be borne by the insurance company will be
- a) ` 15,00,000 b) ` 10,00,000
c) ` 20,00,000 d) ` 25,00,000
