

## M C Q for M. Com. Entrance Test. Model Questions: CUCET 2012

(Each Question has four alternative answers. Choose the correct answers.)

### Section - A

1. According to which of the following accounting concepts, even the proprietor of a business is treated as creditor to the extent of his capital
  - a) money measurement concept
  - b) cost concept
  - c) dual aspect concept
  - d) separate entity concept
2. According to money measurement concept, which of the following will be recorded in the books of the accounts?
  - a) extra profits made due to introduction of budgetary control system
  - b) quality control in business
  - c) commission payable to salesman
  - d) hardworking nature of employees
3. Cartage paid on the purchase of new machine is debited to
  - a) Cartage a/c
  - b) Profit and loss account
  - c) Machine account
  - d) Trading account
4. Which method of depreciation has been especially designed to provide funds for replacement of assets?
  - a) Depreciation at replacement price
  - b) Straight line method
  - c) Depletion method
  - d) Depreciation fund method
5. Which of the following is *not* correct?
  - a)  $\text{Purchases} + \text{Opening stock} - \text{Cost of goods sold} = \text{Closing stock}$
  - b)  $\text{Opening stock} + \text{Purchases} - \text{Closing stock} = \text{Cost of goods sold}$
  - c)  $\text{Closing stock} + \text{Cost of goods sold} - \text{Purchases} = \text{Opening stock}$
  - d)  $\text{Cost of goods sold} - \text{Closing stock} - \text{Purchases} = \text{Opening stock}$
6. A, B and C share profits and losses in the ratio of 6:5:3. D is admitted into the partnership for  $\frac{1}{8}$ th share. The sacrificing ratio will be
  - a) 6:5:3
  - b)  $\frac{5}{14} : \frac{4}{14} : \frac{3}{14}$
  - c) As per Partnership Act
  - d) Equal

7. X Ltd. forfeited 20 shares of Rs. 10 each, Rs. 7 called up, on which John had paid application and allotment money of Rs. 5 per share. Of these, 15 shares were reissued to Parker as fully paid up for Rs. 6 per shares. What amount should be transferred to Capital Reserve Account?
- Rs. 15
  - Rs. 20
  - Rs. 75
  - Rs. 100
8. Accounting Standards-6 (AS-6) is related to
- Accounting for disclosure of accounting policies
  - Depreciation accounting
  - Cash flow statement
  - Revenue recognition
9. Partnership Deed provide for a salary of Rs. 10,000 per month to partner X. if x withdraws only Rs. 5,000 in a month, the remaining Rs. 5,000 is
- Credited to profit and loss (adjustment) account
  - Credited to current account of partner X
  - Credited to salary payable account
  - Debited to capital account of partner X
10. The maximum marginal rate of tax under the Income Tax Act, 1961, for an individual is:
- 50 %
  - 40 %
  - 30 %
  - 20 %

### **Section-B**

11. Which of the following is not the quantitative technique of credit control?
- Bank Rate
  - Open Market Operation
  - Moral Suasion and Publicity
  - Cash Reserve Ratio
12. The Reserve Bank of India Act was passed in:
- 1930
  - 1934
  - 1949
  - 1956
13. The principle of caveat emptor protect the:
- Buyer
  - Seller
  - Creditor
  - Debtors

14. A contract with a minor is:
- a) Voidable
  - b) Void
  - c) Valid
  - d) Illegal
15. Which of the following is not related to a private company?
- a) Restriction on transfer of share
  - b) Issue of Prospectus
  - c) Limitation of Membership
  - d) Annual General Meeting
16. Functional organisation was propounded by:
- a) Henri Fayol
  - b) Peter F. Drucker
  - c) F.W. Taylor
  - d) Theo Haiman
17. Unity of Direction means:
- a) Receiving order from one supervisor only
  - b) One head one plan
  - c) Chain of supervisors
  - d) Centralisation
18. The minimum number of members for partnership is
- a) 2
  - b) 5
  - c) 7
  - d) 10
19. Foreign trade includes:
- a) Exporting
  - b) Importing
  - c) Re-exporting
  - d) Exporting and importing both
20. In India, who has authority to amend the Companies Act:
- a) Company Law Board
  - b) Parliament
  - c) State Assembly
  - d) Ministry of law and company affairs