

FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose correct option from the four alternatives given:

51. What is the primary purpose of financial accounting?
- ☒ (A) Providing financial information to stakeholders
 - (B) To minimize taxes
 - (C) To maintain details of assets and liabilities
 - (D) All of the above
52. _____ is a science and art of correctly recording in the books of accounts all those transactions that result in transfer of money or money's worth.
- (A) Accounting
 - (B) Accountancy
 - (C) Journalizing
 - ☒ (D) Book-keeping
53. In accounting, _____ provides a common set of rules and guidelines which is used to measure, recognise, present, and disclose the information appearing in an entity's financial statement.
- (A) framework
 - (B) concepts
 - (C) regulations
 - ☒ (D) principles
54. Identify the Personal Account from the following:
- (A) Salary Payable Account
 - (B) Taxes paid account
 - (C) Investment Account
 - ☒ (D) Trademark Account
55. _____ approach of determining debit and credit aspects of a transaction is based on conventional classification of accounts.
- (A) Diamond rule
 - (B) Silver rule
 - (C) Iron rule
 - ☒ (D) Golden rule
56. The book(s) of accounts in which transactions of a specific type viz. credit purchases, credit sales etc. is/are initially recorded is called _____.
- (A) General Ledger
 - (B) Special Ledger
 - ☒ (C) Subsidiary Books
 - (D) Journal
57. Expenses incurred for removal of inventories to a new site is by nature a
- (A) Revenue Expenditure
 - ☒ (B) Capital Expenditure
 - (C) Deferred Revenue Expenditure
 - (D) None of the above
58. Which of the following is/are true about Bank Book?
- (A) It is a subsidiary book of account.
 - (B) It is also known as Bank Journal.
 - (C) Usually, large organisations with substantial volume of bank transactions maintain this book of account.
 - ☒ (D) All of the above

P-2(FFCA)

59. Ledger contains various _____ in it.

- (A) transactions
- ☒ (B) entries
- (C) accounts
- (D) None of the above

60. Which of the following is not a feature of the Trial Balance?

- (A) It is only a statement of debit and credit balances of accounts.
- ☒ (B) It is a list of debit and credit balances which are extracted from various ledger accounts.
- (C) It is the part of financial statements.
- (D) All of the above

61. Consider the following statements:

Statement 1: Adjustment entries are recorded by an organisation in the General Journal.

Statement 2: Adjustment entries are passed to comply with the accounting principles.

- ☒ (A) Both statements are true.
- (B) Only Statement 1 is true.
- (C) Only Statement 2 is true.
- (D) Both statements are false.

62. _____ occurs only in case of wasting assets.

- (A) Depletion
- ☒ (B) Amortization
- (C) Obsolescence
- (D) Depreciation

63. Which of the following is not an internal factor causing depreciation?

- (A) Wear and tear of asset
- ☒ (B) Expiry of legal life of asset
- (C) Physical deterioration of asset
- (D) Exhaustion of asset

64. Bank balance as per Pass Book (Cr.) ₹ 1,000. Cheque deposited worth ₹ 2,000 but not yet collected. Find the bank balance as per Cash Book.

- ☒ (A) Cash Book (Dr.) ₹ 1,000
- (B) Cash Book (Cr.) ₹ 1,000
- (C) Cash Book (Dr.) ₹ 3,000
- (D) Cash Book (Cr.) ₹ 3,000

2000 1000

65. Gross profit is the difference between

- ☒ (A) sales and cost of goods sold.
- (B) sales and operating expenses.
- (C) sales and non-operating expenses.
- (D) sales and purchase.

66. In consignment business, the commission allowed by consignor to consignee for bearing the risk of bad debts arising out of credit sales is called

- (A) Ordinary Commission.
- (B) Extra Ordinary Commission.
- ☒ (C) Over-riding Commission.
- (D) Del credere Commission.

67. In a consignment accounting, the loading on opening stock of goods lying with consignee is accounted for by debiting _____ and crediting _____.

- (A) Consignment A/c; Consignment Stock Reserve A/c
- (B) Consignment Stock Reserve A/c; Consignment A/c
- (C) Opening Stock A/c; Consignment Stock Reserve A/c
- (D) Consignment Stock Reserve A/c; Opening Stock A/c

68. J of Jammu consigned 3000 kg. apples to K of Kolkata, the cost being ₹ 60 per kg. plus ₹ 12,000 for freight. It is estimated that 20% loss of the goods is unavoidable. The value per kg. of apple at Kolkata will be

- (A) ₹ 80 per kg.
- (B) ₹ 64 per kg.
- (C) ₹ 75 per kg.
- (D) ₹ 60 per kg.

$$3,000 \times 60 + 12,000$$

69. Aarti and Bharti enter into a joint venture sharing profits and losses equally. Aarti purchased 10000 kg. of rice @ ₹ 50 per kg. Bharti purchased 2000 kg. of millet @ ₹ 60 per kg. Aarti sold 2000 kg. of millet @ ₹ 70 per kg., while Bharti sold 10000 kg. of rice @ ₹ 60 per kg. Given that same set of books are maintained to record the joint venture transactions, the share of profit of Bharti is

- (A) ₹ 2,20,000
- (B) ₹ 1,20,000
- (C) ₹ 60,000
- (D) ₹ 55,000

70. For co-venturer's capital contribution, in case of separate sets of books

- (A) Joint Bank A/c is to be debited and Joint Venture A/c is to be credited.
- (B) Co-venturer's A/c is to be debited and Joint Bank A/c is to be credited.
- (C) Joint Venture A/c is to be debited and Co-venturer's A/c is to be credited.
- (D) Joint Bank A/c is to be debited and Co-venturer's A/c is to be credited.

71. On 10.02.2025, Gopal draws a bill of ₹ 2,00,000 on Murari for 3 months. What will be the due date of the bill if the government declared a sudden holiday on 13.05.2025?

- (A) 10.05.2025
- (B) 12.05.2025
- (C) 13.05.2025
- (D) 14.05.2025

72. Kabir drew a bill on Suresh for ₹ 6,00,000. Kabir endorsed it to Amar, who further endorsed it to Prem. On the date of maturity, the payee of this bill will be

- (A) Kabir
- (B) Prem
- (C) Suresh
- (D) Amar

73. Mudit draws a bill on Saurav for ₹ 6,00,000 on February 1, 2025 for 3 months. At maturity, the bill was dishonoured and noting charges incurred was ₹ 6,000. 40 paise in a rupee was recovered from Saurav's estate. The amount of deficiency to be recorded on insolvency in the books of Saurav will be

- (A) ₹ 2,40,000
- (B) ₹ 2,42,400
- (C) ₹ 3,63,600
- (D) ₹ 3,66,000

P-2(FCCA)

74. Which of the following is not a component of the financial statements of a business organisation?

- (A) Trial Balance
- (B) Balance Sheet
- (C) Trading Account
- ☒ (D) Profit & Loss Appropriation Account

75. 'Income Tax paid' of the proprietor appearing in Trial Balance (Debit column) will get reflected in

- ☒ (A) Debit-side of Profit & Loss A/c.
- (B) Asset-side of Balance Sheet as a separate item.
- (C) Liabilities-side of Balance Sheet as a separate item.
- (D) Liabilities-side of Balance Sheet as deduction from balance of Capital A/c.

76. Ascertain the Gross profit of Arjun Stores, a sole proprietorship business, given that:

Cost of Goods sold ₹ 7,75,000, Sales ₹ 9,20,000, Returns outwards ₹ 20,000 and Closing inventories ₹ 50,000.

- ☒ (A) ₹ 1,75,000
- (B) ₹ 1,25,000
- (C) ₹ 1,45,000
- (D) ₹ 1,95,000

77. Profit & Loss Account is drafted for determination of

- (A) Balance of Capital A/c
- ☒ (B) Net profit or Net loss
- (C) Owner's equity
- (D) Gross profit or Gross loss

78. At the time of finalisation of accounts, 'Loss on Sale of Fixed Assets A/c' is closed by transfer to

- ☒ (A) Debit-side of Profit & Loss A/c.
- (B) Credit-side of Profit & Loss A/c.
- (C) Debit-side of Trading A/c.
- (D) Debit-side of Profit & Loss Appropriation A/c.

79. Which of the following is/are item(s) reflected under Current Liabilities in the Balance Sheet?

- (A) Accounts payable
- (B) Outstanding expenses
- (C) Advances from customers
- ☒ (D) All of the above

80. Elka's Trial Balance consists of the following information:

Bad Debts ₹ 10,000; Provision for Doubtful Debts (opening balance) ₹ 16,000.

At the time of finalisation, it is desired to maintain the balance of Provision for Doubtful Debts A/c at ₹ 11,000. For that purpose,

- (A) Profit & Loss A/c is to be debited with ₹ 17,000.
- (B) Profit & Loss A/c is to be debited with ₹ 15,000.
- ☒ (C) Profit & Loss A/c is to be debited with ₹ 5,000.
- (D) Profit & Loss A/c is to be credited with ₹ 5,000.

81. The capital of a non-profit seeking organisation is generally known as

- (A) Equity
- ☒ (B) Capital Fund
- (C) Finance Reserve
- (D) Cash Fund

82. Which of the following is/are not true about Income & Expenditure Account?

- (A) It is by nature a real account.
- ☒ (B) It deals with transactions of capital nature only.
- (C) It is drafted on cash basis.
- (D) All of the above

83. Consider the following statements:

Statement 1: In Receipts and Payments Account, transactions are recorded on accrual basis.

Statement 2: In Income & Expenditure Account, incomes/gains get credited and expenses/losses are recorded in the debit side.

- (A) Only Statement 1 is true.
- ☒ (B) Only Statement 2 is true.
- (C) Both statements are true.
- (D) Both statements are false.

84. Proceeds from sale of old magazines, newspapers etc. by a social club is

- (A) shown in the right-side of Receipts & Payments A/c.
- (B) shown as expenditure in the Income & Expenditure A/c.
- ☒ (C) shown as income in the Income & Expenditure A/c.
- (D) None of the above

85. Expenses incurred to obtain licence for starting a factory is _____ Expenditure.

- (A) Prepaid
- (B) Capital
- ☒ (C) Revenue
- (D) Deferred Revenue

86. _____ involves maintenance of records of all costs from their incurrence to their charge to cost centres and ultimately to products and services.

- ☒ (A) Cost ascertainment
- (B) Cost control
- (C) Cost book-keeping
- (D) Cost reporting

87. CAS 19 deals with _____.

- (A) Material Cost
- ☒ (B) Cost of Utilities
- (C) Direct Expenses
- (D) Joint Costs

88. Which method of costing is appropriate for advertising industry?

- (A) Process Costing
- (B) Job Costing
- (C) Multiple Costing
- ☒ (D) Contract Costing

P-2(FFCA)

89. Direct material and direct labour are ₹ 2,05,000 and ₹ 2,32,000 respectively. If the factory overhead is 50% of direct labour, then factory cost will be

- (A) ₹ 5,60,000
- (B) ₹ 5,46,600
- ☒ (C) ₹ 5,53,000
- (D) ₹ 4,37,000

1,16,000

90. In the context of decision making, _____ costs are considered to be pertinent.

- (A) Relevant
- ☒ (B) Sunk
- (C) Imputed
- (D) None of the above

91. Which of the following is not a part of 'Prime Cost'?

- (A) Direct Materials
- (B) Direct Expenses
- (C) Direct Labour
- ☒ (D) Power

92. Appropriate composite cost unit for the transport sector is

- (A) per tonne
- (B) per passenger
- ☒ (C) per passenger-km
- (D) number of vehicles

93. Calculate the profit per unit.

Given that: Number of units produced and sold is 16000; Cost of Production is ₹ 4/unit; Selling & Distribution overheads is ₹ 1/unit; Selling price is ₹ 10/unit.

- (A) ₹ 3
- ☒ (B) ₹ 5
- (C) ₹ 8
- (D) ₹ 10

94. The costs which vary disproportionately with change in activity level are called

- (A) Behavioural costs
- ☒ (B) Variable costs
- (C) Indirect costs
- (D) Semi-variable costs

95. The costs of common resources used for producing two or more products or rendering two or more services simultaneously are called

- ☒ (A) Joint costs
- (B) Batch costs
- (C) Process costs
- (D) Research costs

96. Which of the following is the classification of cost 'by traceability to cost object'?

- (A) Fixed costs, Variable costs & Semi-variable costs
- (B) Normal costs & Abnormal costs
- (C) Controllable costs & Non-controllable costs
- ☒ (D) Direct costs & Indirect costs

97. Variable costs are fixed

- (A) for a period.
- (B) depending upon the unit.
- (C) for a process of production.
- (D) per unit.

98. Given that, Gross Factory Cost is ₹ 2,03,000; Net Factory Cost is ₹ 1,89,000; Opening Stock of work-in-progress is ₹ 28,000, determine the value of Closing Stock of work-in-progress.

- (A) ₹ 3,000
- (B) ₹ 14,000
- (C) ₹ 42,000
- (D) ₹ 54,000

99. Which of the following is included in financial accounts, but not in cost accounts?

- (A) Dividend Paid
- (B) Interest on Loan
- (C) Provision for Bad Debts
- (D) All of the above

100. 'Interest on capital' to owners is a

- (A) Cash cost
- (B) Sunk cost
- (C) Prime cost
- (D) Notional cost

$$\begin{array}{r} 2,03,000 \\ + \text{OP} \rightarrow 28,000 \\ - \text{CL} \\ \hline 1,89,000 \end{array}$$