

# National Testing Agency

<b>Question Paper Name :</b>	Financial Accounting 29th August 2021 Shift 1
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## Financial Accounting

<b>Group Number :</b>	1
<b>Group Id :</b>	603489245
<b>Group Maximum Duration :</b>	0
<b>Group Minimum Duration :</b>	120
<b>Show Attended Group? :</b>	No
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<b>Group Marks :</b>	100
<b>Is this Group for Examiner? :</b>	No

## Financial Accounting -1

<b>Section Id :</b>	603489355
<b>Section Number :</b>	1
<b>Section type :</b>	Online
<b>Mandatory or Optional :</b>	Mandatory

<b>Number of Questions :</b>	50
<b>Number of Questions to be attempted :</b>	50
<b>Section Marks :</b>	100
<b>Enable Mark as Answered Mark for Review and Clear Response :</b>	Yes
<b>Sub-Section Number :</b>	1
<b>Sub-Section Id :</b>	603489671
<b>Question Shuffling Allowed :</b>	Yes

**Question Number : 1 Question Id : 60348917382 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

In the books of consignor, the abnormal loss should be credited to:

1. Profit & Loss Account
2. Consignment Account
3. Trading Account
4. Consignees Account

**Options :**

60348965477. 1

60348965478. 2

60348965479. 3

60348965480. 4

**Question Number : 2 Question Id : 60348917383 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 2 Wrong Marks : 0**

The consignee is:

1. Principal
2. Agent
3. Buyer
4. Seller

**Options :**

60348965481. 1

60348965482. 2

60348965483. 3

60348965484. 4

**Question Number : 3 Question Id : 60348917384 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Joint Venture with another co-venturer A/c is a

1. Personal A/c
2. Nominal A/c
3. Real A/c
4. Memorandum A/c

**Options :**

60348965485. 1

60348965486. 2

60348965487. 3

60348965488. 4

**Question Number : 4 Question Id : 60348917385 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of these is not a feature of a Joint venture?

1. Continuing business
2. No firm name
3. Partners called co-venturer
4. Partnership for limited purpose

**Options :**

60348965489. 1

60348965490. 2

60348965491. 3

60348965492. 4

**Question Number : 5 Question Id : 60348917386 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Depreciation is a process of

1. Valuation of fixed assets
2. Allocation of cost over the useful life of assets
3. Generating funds replacements of the assets
4. Avoidance of tax

**Options :**

60348965493. 1

60348965494. 2

60348965495. 3

60348965496. 4

**Question Number : 6 Question Id : 60348917387 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of the following is an external cause of depreciation?

1. Routine repair and maintenance
2. Misuse
3. Obsolescence
4. Wear and tear

**Options :**

60348965497. 1

60348965498. 2

60348965499. 3

60348965500. 4

**Question Number : 7 Question Id : 60348917388 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Profit on sale of old plant is shown in

1. Trading A/c
2. In Profit and Loss appropriation A/c
3. Profit and loss A/c
4. Being a non-operating item, it is ignored

**Options :**

60348965501. 1

60348965502. 2

60348965503. 3

60348965504. 4

**Question Number : 8 Question Id : 60348917389 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Closing stock appearing in the trial balance is shown in –

1. Trading A/c and balance sheet
2. Profit and loss A/c
3. Balance sheet only
4. Trading A/c only

**Options :**

60348965505. 1

60348965506. 2

60348965507. 3

60348965508. 4

**Question Number : 9 Question Id : 60348917390 Question Type : MCQ Option Shuffling : No Is**

**Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Branch which does not maintain its own set of books is\_\_\_\_\_.

1. Dependent branch
2. Independent branch
3. Foreign branch
4. Local branch

**Options :**

60348965509. 1

60348965510. 2

60348965511. 3

60348965512. 4

**Question Number : 10 Question Id : 60348917391 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Dependent branch makes:

1. Cash sales only
2. Credit sales only
3. Cash & Credit sales
4. Instalment sales

**Options :**

60348965513. 1

60348965514. 2

60348965515. 3

60348965516. 4

**Question Number : 11 Question Id : 60348917392 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Hirer charges depreciation on:

1. Hire purchase price
2. Cash price.
3. Lower of the two
4. Invoice price

**Options :**

60348965517. 1

60348965518. 2

60348965519. 3

60348965520. 4

**Question Number : 12 Question Id : 60348917393 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

What is transferred to Hirer under hire purchase system?

1. Ownership of assets
2. Possession of asset
3. Ownership and possession of asset
4. Ownership of Firm

**Options :**

60348965521. 1

60348965522. 2

60348965523. 3

60348965524. 4

**Question Number : 13 Question Id : 60348917394 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Main Location is a predefined \_\_\_\_\_ in Tally ERP.9

1. Stock Group
2. Stock Item
3. Stock Category
4. Godown

**Options :**

60348965525. 1

60348965526. 2

60348965527. 3

60348965528. 4

**Question Number : 14 Question Id : 60348917395 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Company can be shut by using:

1. Alt + F3
2. Alt + F1
3. Alt + F4
4. Alt + F2

**Options :**

60348965529. 1

60348965530. 2

60348965531. 3

60348965532. 4

**Question Number : 15 Question Id : 60348917396 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**



Which of these errors affect the agreement of Trial Balance?

1. Errors of principle.
2. Complete omission in subsidiary books.
3. Compensating errors.
4. Errors of Posting to wrong side.

**Options :**

60348965533. 1

60348965534. 2

60348965535. 3

60348965536. 4

**Question Number : 16 Question Id : 60348917397 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of these errors does not affect only one account?

1. Errors of casting.
2. Errors of carry forward.
3. Errors of posting.
4. Compensating Errors

**Options :**

60348965537. 1

60348965538. 2

60348965539. 3

60348965540. 4

**Question Number : 17 Question Id : 60348917398 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

In a three-column cash----- does not exist.

1. Cash column.
2. Bank column.
3. Petty cash column.
4. Discount column.

**Options :**

60348965541. 1

60348965542. 2

60348965543. 3

60348965544. 4

**Question Number : 18 Question Id : 60348917399 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of the following is a representative personal A/c

1. Outstanding salary A/c.
2. Rent A/c.
3. SBI A/c.
4. Bad debts A/c.

**Options :**

60348965545. 1

60348965546. 2

60348965547. 3

60348965548. 4

**Question Number : 19 Question Id : 60348917400 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

A book wherein various accounts are opened is called-----

1. Subsidiary books.
2. Journal.
3. Ledger.
4. Trial Balance.

**Options :**

60348965549. 1

60348965550. 2

60348965551. 3

60348965552. 4

**Question Number : 20 Question Id : 60348917401 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Purchase day book records

1. All cash purchases
2. All credit purchases
3. Only credit purchase of raw material or goods purchased for resale.
4. All purchases.

**Options :**

60348965553. 1

60348965554. 2

60348965555. 3

60348965556. 4

**Question Number : 21 Question Id : 60348917402 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Notes and schedules include disclosures about the risk and uncertainties affecting the enterprise and such items as disclosure of \_\_\_\_\_

1. accounting policies segment reports
2. report of operations in the process of discontinuation
3. Both the options mentioned
4. None of these

**Options :**

60348965557. 1

60348965558. 2

60348965559. 3

60348965560. 4

**Question Number : 22 Question Id : 60348917403 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Is used to analyse the pattern of movement or activity during the period to identify the way the enterprise has generated cash and the way they have been used in an accounting period.

1. Balance sheet
2. Cash flow
3. Profit & Loss a/c
4. income statement

**Options :**

60348965561. 1

60348965562. 2

60348965563. 3

60348965564. 4

**Question Number : 23 Question Id : 60348917404 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

**Explain the financial position of the reporting entity at the end of the accounting period.**

1. Balance sheet
2. Income statement
3. ledger
4. Notes & schedules

**Options :**

60348965565. 1

60348965566. 2

60348965567. 3

60348965568. 4

**Question Number : 24 Question Id : 60348917405 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

\_\_\_\_\_ is a structured representation of the financial performance and financial position of a business and changes over a period of time.

1. Profit and loss account
2. Financial statement
3. Balance sheet
4. Internal audit

**Options :**

60348965569. 1

60348965570. 2

60348965571. 3

60348965572. 4

**Question Number : 25 Question Id : 60348917406 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Sales book is to record the

1. The entire sales volume
2. The cash sales only
3. The credit sales only
4. The credit sales with the discounts

**Options :**

60348965573. 1

60348965574. 2

60348965575. 3

60348965576. 4

**Question Number : 26 Question Id : 60348917407 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

According to the double entry system of accounting, an account that obtains benefit is:

1. Credit
2. Debit
3. Income
4. No need to show as accounting record

**Options :**

60348965577. 1

60348965578. 2

60348965579. 3

60348965580. 4

**Question Number : 27 Question Id : 60348917408 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Term "Credit" means \_\_\_\_\_ by the business.

1. Receiving of benefits
2. It has no effect on business
3. Providing of benefits
4. It depends upon items

**Options :**

60348965581. 1

60348965582. 2

60348965583. 3

60348965584. 4

**Question Number : 28 Question Id : 60348917409 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

In which of the following cases, accounting estimates are not needed?

1. Employs benefit schemes
2. Impairment of losses
3. Inventory obsolescence
4. Judging the performance of employees

**Options :**

60348965585. 1

60348965586. 2

60348965587. 3

60348965588. 4

**Question Number : 29 Question Id : 60348917410 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Financial accounting statements are subject to \_\_\_\_\_

1. Cost audit
2. Forensic audit
3. Statutory audit
4. Non statutory audit

**Options :**

60348965589. 1

60348965590. 2

60348965591. 3

60348965592. 4

**Question Number : 30 Question Id : 60348917411 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Amount spent on repair of plant is wrongly debited to repairs A/c. Which type of error is it?

1. Error of Omission
2. Error of Commission
3. Error of Principle
4. Compensating Error.

**Options :**

60348965593. 1

60348965594. 2

60348965595. 3

60348965596. 4

**Question Number : 31 Question Id : 60348917412 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**



Sales day book overcast by 150. Which type of error is it?

1. Error of Omission
2. Error of Commission
3. Compensation Error
4. Error of principle.

**Options :**

60348965597. 1

60348965598. 2

60348965599. 3

60348965600. 4

**Question Number : 32 Question Id : 60348917413 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Stock is

1. included in the category of fixed assets.
2. part of current assets.
3. intangible assets.
4. neither a current assets nor a fixed assets.

**Options :**

60348965601. 1

60348965602. 2

60348965603. 3

60348965604. 4

**Question Number : 33 Question Id : 60348917414 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of the following is an advantage of Computerized Accounting?

1. Fraud
2. Human Error
3. Requirement of Additional Software
4. Scalable

**Options :**

60348965605. 1

60348965606. 2

60348965607. 3

60348965608. 4

**Question Number : 34 Question Id : 60348917415 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Tally has \_\_\_\_\_ predefined groups for ledger creation.

1. 28
2. 25
3. 23
4. 21

**Options :**

60348965609. 1

60348965610. 2

60348965611. 3

60348965612. 4

**Question Number : 35 Question Id : 60348917416 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

All capital expenditures and receipts and taken to

1. Trading and profit and loss A/C
2. Balance sheet
3. Trial Balance
4. Profit and loss appropriation A/C.

**Options :**

60348965613. 1

60348965614. 2

60348965615. 3

60348965616. 4

**Question Number : 36 Question Id : 60348917417 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Del credere commission is allowed to cover:

1. Abnormal loss
2. Normal loss
3. Both normal and abnormal loss
4. Bad debt loss

**Options :**

60348965617. 1

60348965618. 2

60348965619. 3

60348965620. 4

**Question Number : 37 Question Id : 60348917418 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of the following items may be shown by an account sales:

1. Type and quantity of goods sold
2. Consignee's commission and expenses
3. Per unit sales price
4. All of these

**Options :**

60348965621. 1

60348965622. 2

60348965623. 3

60348965624. 4

**Question Number : 38 Question Id : 60348917419 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Ownership of goods under hire purchase agreement is transferred at the time of:

1. Payment of down payment
2. Payment of first instalment
3. Payment of last instalment
4. None of these

**Options :**

60348965625. 1

60348965626. 2

60348965627. 3

60348965628. 4

**Question Number : 39 Question Id : 60348917420 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which of the following does not give a difference between a hire purchase and a normal purchase?

1. Timing of payment for asset.
2. Legal ownership of asset.
3. Quality of asset purchased.
4. Total cost of asset.

**Options :**

60348965629. 1

60348965630. 2

60348965631. 3

60348965632. 4

**Question Number : 40 Question Id : 60348917421 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

The system of keeping accounts generally adopted by small size branches are:

1. Debtors system
2. Stock & Debtors system
3. Wholesale branch system
4. Final account system

**Options :**

60348965633. 1

60348965634. 2

60348965635. 3

60348965636. 4

**Question Number : 41 Question Id : 60348917422 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Goods are supplied by the head office to dependent branches are at:

1. Cost price
2. Invoice price
3. Market price
4. Cost or invoice price

**Options :**

60348965637. 1

60348965638. 2

60348965639. 3

60348965640. 4

**Question Number : 42 Question Id : 60348917423 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Business is said to be in a profit when:

1. Expenditure exceeds income
2. Income exceeds expenditure
3. Income exceeds liability
4. Assets exceed expenditure

**Options :**

60348965641. 1

60348965642. 2

60348965643. 3

60348965644. 4

**Question Number : 43 Question Id : 60348917424 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which option gives a review report on the firm's financial status at a specified date?

1. Income & Expenditure Account
2. Balance Sheet
3. Cash Flow Statement
4. Profit & Loss Account

**Options :**

60348965645. 1

60348965646. 2

60348965647. 3

60348965648. 4

**Question Number : 44 Question Id : 60348917425 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

In the accounting records, the fixed assets are normally recorded

1. At cost
2. At book value
3. At scrap value
4. At replacement value

**Options :**

60348965649. 1

60348965650. 2

60348965651. 3

60348965652. 4

**Question Number : 45 Question Id : 60348917426 Question Type : MCQ Option Shuffling : No**

**Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

What is the purpose of making a provision for depreciation in the accounts?

1. To make a provision for repairs
2. To make cash available to replace fixed assets
3. To show the current market value of fixed asset
4. To charge the cost of fixed assets against profits

**Options :**

60348965653. 1

60348965654. 2

60348965655. 3

60348965656. 4

**Question Number : 46 Question Id : 60348917427 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Trial balance is used to check the accuracy of

1. Balance sheet balances
2. Ledger accounts balances
3. Cash flow statement balances
4. Income statement balances

**Options :**

60348965657. 1

60348965658. 2

60348965659. 3

60348965660. 4

**Question Number : 47 Question Id : 60348917428 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**



Which items influence the trial balance agreement?

1. Deposit in transit
2. Compensating errors
3. Complete omission of a transaction
4. Partial omission of a transaction

**Options :**

60348965661. 1

60348965662. 2

60348965663. 3

60348965664. 4

**Question Number : 48 Question Id : 60348917429 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

What is used in preparing trial balance?

1. Specialized Journals
2. Balance Sheet
3. Ledger Accounts
4. General Journal

**Options :**

60348965665. 1

60348965666. 2

60348965667. 3

60348965668. 4

**Question Number : 49 Question Id : 60348917430 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Which accounting standard is applicable for valuation of inventories?

1. AS -1
2. AS -2
3. AS -3
4. AS -4

**Options :**

60348965669. 1

60348965670. 2

60348965671. 3

60348965672. 4

**Question Number : 50 Question Id : 60348917431 Question Type : MCQ Option Shuffling : No  
Is Question Mandatory : No**

**Correct Marks : 2 Wrong Marks : 0**

Cost concept basically recognizes

1. Fair Market value
2. Historical cost
3. Realizable value
4. Replacement cost

**Options :**

60348965673. 1

60348965674. 2

60348965675. 3

60348965676. 4