

## PREVIEW QUESTION BANK

Module Name : imb24-mg08 Financial Accounting and Analysis-ENG  
Exam Date : 18-May-2024 Batch : 15:00-18:00

Sr. No.	Client Question ID	Question Body and Alternatives	Marks	Negative Marks
Objective Question				
1	13672001	An investor wants to check the profitability of the business for the last two years. Which statement will help him with the primary information regarding the same?		
		<ol style="list-style-type: none"> <li>1. Balance Sheet</li> <li>2. Statement of Profit and Loss</li> <li>3. Cash flow statement</li> <li>4. Notes to financial statements</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		
Objective Question				
2	13672002	Which of the following statements is most likely to be correct?		
		<ol style="list-style-type: none"> <li>1. Cash flow statement reports the profit earned during the year</li> <li>2. Cash flow statement reports the income earned during the year</li> <li>3. Cash flow statement reports only the cash received from different activities of the business during the year</li> <li>4. Cash flow statement reports the cash received and paid for the different activities of the business during the year</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		
Objective Question				
3	13672003	Which of the following financial statements would an analyst primarily use to assess the liquidity and financial stability of the company?		
		<ol style="list-style-type: none"> <li>1. Income Statement</li> <li>2. Balance Sheet</li> <li>3. Cash Flow Statement</li> <li>4. Statement of Retained Earnings</li> </ol>		

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

4 13672004

The rent expenses of a firm included the rent for the owner's home. Which of the following accounting principles was violated?

1. Cost concept
2. Going concern concept
3. Entity concept
4. Realisation concept

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

5 13672005

Received professional fees for tax consultancy Rs.10,000. How would this transaction affect the accounting equation?

1. Assets will increase by Rs. 10000; Equity will decrease by 10000
2. Assets will increase by Rs. 10000; Liability will decrease by 10000
3. Assets will increase by Rs. 10000; Liability will increase by 10000
4. Assets will increase by Rs. 10000; Equity will increase by 10000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

6 13672006

Match list I with list II and identify the correct option.

List I		List II
A Rent payable for last month	I	Expense
B Fees received for services rendered	II	Liability
C Equipment purchased for production	III	Revenue
D Depreciation on equipment	IV	Asset

1. A-I, B-II, C-III, D-IV
2. A-II, B-I, C-IV, D-III
3. A-III, B-II, C-I, D-IV
4. A-II, B-III, C-IV, D-I

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

7 13672007

On Oct 1 2020, ABC Co. signed a contract to sell 200 air conditioners to KBC CO at Rs. 30000 each. 150 air conditioners were delivered on 15th Dec 2020, and the remaining 50 were delivered on 15th Jan 2021. What amount of revenue should ABC Co. recognize from this sale for the year ended 31st Dec 2020?

1. Rs. 60,00,000
2. Rs. 45,00,000
3. Rs. 15,00,000
4. No revenue should be recognized.

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

8 13672008

ABC Co. reported the following balances as on Dec 31, 2022 and 2023.

	31/12/22	31/12/23
Inventory	250,000	290,000
Trade payables	60,000	40,000

ABC co paid Rs.300,000 to its suppliers during the year ended 31st Dec 2023. What is the amount of cost of goods sold by the company for the year 2023?

Note: Cost of goods sold = Opening inventory + Purchases - Closing Inventory

1. Rs. 190,000
2. Rs. 240,000
3. Rs.280,000
4. Rs.210,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

9 13672009

Which of the following would be classified as cash flows related to financing activity?

1. Invested in units of Mutual fund
2. Received interest income from bonds
3. Paid dividends
4. Invested in shares of a public company

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

10 13672010

Which of the following is correct?

1. Depreciation is a source of funding
2. Depreciation represents the useful life of an asset
3. Depreciation is the systematic allocation of the cost of the asset over its useful life
4. Depreciation involves cash outflow

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

11 13672011

Goodwill will be recognized in the books if

1. It is expected the company's brand name will give future benefit for ten years
2. It arises while acquiring a business
3. It is self generated
4. It cannot be measured objectively

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

12 13672012

Which of the following would be classified as current asset in the balance sheet?

1. Cash, accounts receivables, income tax expense
2. Inventory , trade payables, share capital
3. Trade receivables, prepaid expenses, inventory
4. Cash at bank, goodwill, accrued revenue

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

13 13672013

A firm has reported a profit of \$250000 for the year ended 31st March 2021. The following is the additional information:

i	The firm had acquired an asset for \$50,000, which has been charged as an expense
ii	The rent of \$5000 for March 2021 has not been accounted for in the books
iii	An advance of \$10000 received from the customer was considered revenue

Calculate the correct amount of profit after taking into account the above information.

1. \$300,000
2. \$255,000
3. \$285,000
4. \$290,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

14 13672014

Which of the following represents the matching concept?

1. Personal transactions of the owner should not be recorded in the books of the business
2. All the expenses related to the revenue earned should be recorded in the same period
3. Assets should be initially recorded at cost
4. The business is going to operate in the foreseeable future

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

15 13672015

Which of the following is an example of regular expense for the business?

1. Advance paid to employee
2. Prepaid expense
3. Discount on issue of shares
4. Rent paid for the month

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

16 13672016

ABA Co. has the following balances at the end of the year:

	2019	2020
	\$	\$
Total assets	3,00,000	500000
Total liabilities	150000	200000

Based on the above information, what is the net income of the company for the year 2020. Assume there were no other equity-based transactions other than those stated above.

1. \$300,000
2. \$50,000
3. \$150,000
4. \$100,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

17 13672017

Which of the following is not correct?

1. Current assets are expected to be realised within one year.
2. Current liabilities are payable within one year.
3. Fixed assets are expected to be sold beyond one year.
4. Long-term borrowings are expected to be repaid in more than one year.

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

18 13672018

Which of the following would not be reported in the income statement?

1. Salary paid to staff
2. Income received from renting the property
3. Interest paid on loan
4. Amount receivable from sale of goods

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

19 13672019



The following are the details of transactions entered during May 2020.

	\$
Bought an air conditioner for the office on 31st May 2020	50,000
Hired a salesman on 1st May at a monthly salary of \$10,000, the salary is payable on the first day of the next month.	
Opening Inventory	3000
Closing inventory	4000
Depreciation on plant and equipment	2000
Interest cost	1000
Sold goods during the month	70000
Freight on purchases	1000
Purchases during the month	35000
Dividend income	1000
Profit on sale of land	10000

Based on the above information, answer the following question.

The gross profit for the month would be

1. \$ 38,000
2. \$ 36,000
3. \$ 31,000
4. \$ 35,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

20 13672020

The following are the details of transactions entered during May 2020.

	\$
Bought an air conditioner for the office on 31st May 2020	50,000
Hired a salesman on 1st May at a monthly salary of \$10,000, the salary is payable on the first day of the next month.	
Opening Inventory	3000
Closing inventory	4000
Depreciation on plant and equipment	2000
Interest cost	1000
Sold goods during the month	70000
Freight on purchases	1000
Purchases during the month	35000
Dividend income	1000
Profit on sale of land	10000

Based on the above information, the operating profit of the company for the month would be

Reference: Gross Profit - Operating expenses = Operating profit

1. \$ 23,000
2. \$ 22,000
3. \$ 21,000
4. \$ 31,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

21 | 13672021

The following is the year-end balance of prepaid insurance of ABC Co.

	2019	2020
Prepaid Insurance	6000 Rs.	4000 Rs.

The company paid an insurance premium of Rs.24000 during the year 2020.

Using the above information, calculate the insurance expense for the year 2020.

1. Rs. 22,000
2. Rs. 24,000
3. Rs. 26,000
4. Rs. 18,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

22 | 13672022

ABC Co. bought an equipment for \$200000. The equipment is expected to have a useful life of 6 years with an estimated residual value of \$20000 at the end of its useful life. Calculate the depreciation to be charged on the equipment for the year assuming the company uses straight line method of depreciation.

1. \$ 20,000
2. \$ 33,333
3. \$ 30,000
4. \$ 22,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

23 | 13672023

Brass Co. bought a new machine from France. The company incurred the following expenditures in the process -

	\$
a Invoice price	200000
b Customer duty	40000
c Freight	15000
d Insurance	2000
f Repair charges incurred on damage while installing the machine	2000
e Cost of trial run	10000

1. \$265,000
2. \$267,000
3. \$263,000
4. \$257,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

24 13672024

ABC Co.'s Statement of Profit and Loss for the year ended Dec 31, 2020 is as follows -

	\$
Revenue	150000
Cost of goods sold	60000
Depreciation expense	3000
Selling and administration expense	15000
Interest expense	4000
Total expense	82000
Profit before tax	68000
Tax expense	17000
Net profit	51000

Below are the relevant balance sheet accounts on Dec 31 -

	2019	2020
Inventories	7000	10000
Trade receivables	10000	8000
Trade payables	4000	5000
Income tax payable	5000	3000

Calculate the company's cash flow from operations based on the above information.

1. \$58,000
2. \$56,000
3. \$56,200
4. \$55,800

A1 : 1

A2 : 2

A3 : 3

A4 : 4

25 13672025

You have been given the following extracts of the Common Size Balance Sheet of ABC Co. for 2020 and 2019.

Balance Sheet as at 31st March	Amount	2019	Amount	2020
Inventory		6.50%		6.10%
Receivables		12.45%		<b>c</b>
Property, plant and equipment		56.25%		58.85%
Cash		<b>a</b>		8.35%
Total assets	485000	100%	565000	100%
Trade payables		20.65%		<b>d</b>
Other current liabilities		<b>b</b>		12.35%
Total current liabilities		31.50%		<b>e</b>
Long-term borrowings		15.05%		16.75%
Total equity		53.45%		55.65%
Total liabilities and equity	485000	100%	565000	100%

Calculate the amount and percentage of item '**a**' - **Cash** from the above information.

1. Rs. 130,280, 25.8%
2. Rs. 120,480, 26.8%
3. Rs. 120,280, 24.8%
4. Rs. 130,380, 24.8%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

26 13672026

You have been given the following extracts of common size Balance Sheet of ABC Co. for 2020 and 2019.

Balance Sheet as at 31st March	Amount	2019	Amount	2020
Inventory		6.50%		6.10%
Receivables		12.45%		c
Property, plant and equipment		56.25%		58.85%
Cash		a		8.35%
Total assets	485000	100%	565000	100%
Trade payables		20.65%		d
Other current liabilities		b		12.35%
Total current liabilities		31.50%		e
Long-term borrowings		15.05%		16.75%
Total equity		53.45%		55.65%
Total liabilities and equity	485000	100%	565000	100%

Calculate the amount and percentage of item 'b' - 'Other current liabilities' from the above information.

1. Rs.55,625; 12.65%
2. Rs.54,265; 11.65%
3. Rs.52,623; 10.85%
4. Rs.53,645; 10.85%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

27 13672027

You have been given the following extracts of common size Balance Sheet of ABC Co. for 2020 and 2019.

Balance Sheet as at 31st March	Amount (Rs)	2019	Amount (Rs.)	2020
Inventory		6.50%		6.10%
Receivables		12.45%		<b>c</b>
Property, plant and equipment		56.25%		58.85%
Cash		a		8.35%
Total assets	485000	100%	565000	100%
Trade payables		20.65%		d
Other current liabilities		b		12.35%
Total current liabilities		31.50%		e
Long-term borrowings		15.05%		16.75%
Total equity		53.45%		55.65%
Total liabilities and equity	485000	100%	565000	100%

Calculate the amount and percentage of item '**c**' - **Receivables** from the above information.

1. Rs.150,075; 27.70%
2. Rs.150,855; 26.70%
3. Rs.140,147; 26.70%
4. Rs.250,140; 27.70%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

28 13672028



You have been given the following extract of the Common-size Balance Sheet of ABC Co. for 2020 and 2019.

Balance Sheet as at 31st March	Amount (Rs.)	2019	Amount (Rs.)	2020
Inventory		6.50%		6.10%
Receivables		12.45%		c
Property, plant and equipment		56.25%		58.85%
Cash		a		8.35%
Total assets	485000	100%	565000	100%
Trade payables		20.65%		d
Other current liabilities		b		12.35%
Total current liabilities		31.50%		e
Long-term borrowings		15.05%		16.75%
Total equity		53.45%		55.65%
Total liabilities and equity	485000	100%	565000	100%

Calculate the amount and percentage of item 'd' - **Trade Payables** from the above information.

1. Rs.184,275 ; 18.25%
2. Rs.194,278 ; 15.25%
3. Rs.86,163 ; 15.25%
4. Rs.84,275 ; 18.25%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

29 13672029

You have been given the following extract of the Common-size Balance Sheet of ABC Co. for 2020 and 2019.

Balance Sheet as at 31st March	Amount (Rs.)	2019	Amount (Rs.)	2020
Inventory		6.50%		6.10%
Receivables		12.45%		c
Property, plant and equipment		56.25%		58.85%
Cash		a		8.35%
Total assets	485000	100%	565000	100%
Trade payables		20.65%		d
Other current liabilities		b		12.35%
Total current liabilities		31.50%		e
Long-term borrowings		15.05%		16.75%
Total equity		53.45%		55.65%
Total liabilities and equity	485000	100%	565000	100%

Calculate the amount and percentage of item 'e' - **Total current liabilities** from the above information.

1. Rs. 145,615; 28.6%
2. Rs. 255,615; 28.6%
3. Rs. 165,615; 29.6%
4. Rs. 155,940; 27.6%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

30 13672030

A company has inventories of two products: Product X was purchased for Rs. 1000 and can be sold for Rs. 1250; Product Y was bought for Rs. 800 and is likely to be sold for Rs. 600. The inventory should be valued at

1. Rs. 1850
2. Rs. 1800
3. Rs. 1600
4. Rs. 2050

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

31 13672031

Which of the following would result in a change in total equity?

- I. Buyback of shares
- II. Purchase of an asset
- III. Profit earned during the year
- IV. Repayment of loan

- 1. I and II
- 2. II and III
- 3. I and III
- 4. III and IV

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

32 13672032

Horizontal analysis enables

- 1. Comparing the sales-to-assets ratio over different periods
- 2. Comparison of each item in a financial statement with their respective prior year's balances
- 3. Comparing each item in the balance sheet with respect to total assets
- 4. Comparison of each item in income statement with respect to revenue

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

33 13672033

If the total equity and liabilities of a company are \$10000,000 and its non-current assets are \$6000,000. How would this be stated in terms of common size analysis.

1. Non-current assets - \$6000000; 60%
2. Non-current assets - \$10000000; 40%
3. Equity and Liabilities - \$6000000; 100%
4. Non-current assets - \$6000000; 40%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

34 13672034

A company has total assets worth \$10, 00,000; its revenue is 3 times its assets and the margin on sales is 5%. What is the return on assets?

1. 20%
2. 30%
3. 15%
4. 10%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

35 13672035

Rent expense for December 2019 was due but paid in the next month. How should the item be reported in the balance sheet as on December 31, 2019?

1. Accrued income
2. Income received in advance
3. Accrued expense
4. Expenses paid in advance

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

36 | 13672036

Which of the following is an example of a current asset?

I	Loan receivable within 8 months
II	Loan due to be paid within 6 months
III	Equipment unused for two years held for sale
IV	Stock held for sale

1. I and II
2. II and III
3. I and IV
4. II and IV

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

37 | 13672037

Identify the non-current assets from the following list.

I	Equipment
II	Inventory
III	Goodwill
IV	Cash

1. I and II
2. II and III
3. I and III
4. I and IV

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

38 | 13672038

Since depreciation does not involve any cash outlay, charging depreciation increases the cash balance of the company. The statement is

1. FALSE
2. TRUE
3. May be TRUE or FALSE
4. Will be TRUE or FALSE depending on the time when depreciation is charged.

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

39 13672039

Which of the following activities would be reported as cash flow from operating activities?

I	Cash received from customers
II	Cash received from sale of land
III	Paid dividends to shareholders
IV	Cash paid to employees for salaries and wages
V	Advance paid to suppliers

1. I, II and III
2. II, III and IV
3. I, IV and V
4. I, III and V

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

40 13672040

Which of the following would be reported as other comprehensive income?

1. Revenue from services rendered
2. Unrealized gains on available for sale securities
3. Dividend income
4. Interest income

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

41 | 13672041





Rainbow Co.'s financial statements for the year ended 31st Dec 2019 and 31st Dec 2018 are as follows:

Income Statement for the year ended Dec 31	2019	2018
Figures in rupees		
Revenue	5,00,000	320000
Cost of goods sold	340000	208000
Gross profit	160000	112000
Selling expenses	65000	46400
Administrative expenses	32500	22400
Total operating expenses	97500	68800
Operating profit	62500	43200
Other income	2500	1920
Profit before interest and tax	65000	45120
Interest expense	10500	6400
Profit before tax	54500	38720
Income tax expense	30000	17600
Net profit	24500	21120

Balance Sheet as at Dec 31,	2019	2018
Assets		
Property, plant and equipment (net)	209300	194800
Long-term investments	25000	22500
Trade Receivables	42500	32500
Inventories	75000	50000
Marketable securities	15000	5000
Cash	17500	12500
Total assets	384300	317300
Liabilities and equity		
Long term borrowings	121000	80000
Current liabilities	75000	65000

Total liabilities	196000	145000
Equity		
Equity capital	100000	100000
Retained earnings	88300	72300
Total equity	188300	172300
Total liabilities and equity	384300	317300

Determine the Current ratio for the year 2019.

Note: Current Ratio = Current assets/Current liabilities

1. 1.2
2. 1.5
3. 2
4. 2.5

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

42 | 13672042



Rainbow Co.'s financial statements for the year ended 31st Dec 2019 and 31st Dec 2018 are as follows:

<b>Income Statement for the year ended Dec 31</b>	<b>2019</b>	<b>2018</b>
Figures in rupees		
Revenue	5,00,000	320000
Cost of goods sold	340000	208000
Gross profit	160000	112000
Selling expenses	65000	46400
Administrative expenses	32500	22400
Total operating expenses	97500	68800
Operating profit	62500	43200
Other income	2500	1920
Profit before interest and tax	65000	45120
Interest expense	10500	6400
Profit before tax	54500	38720
Income tax expense	30000	17600
<b>Net profit</b>	<b>24500</b>	<b>21120</b>

<b>Balance Sheet as at Dec 31,</b>	<b>2019</b>	<b>2018</b>
Assets		
Property, plant and equipment (net)	209300	194800
Long-term investments	25000	22500
Trade Receivables	42500	32500
Inventories	75000	50000
Marketable securities	15000	5000
Cash	17500	12500
<b>Total assets</b>	<b>384300</b>	<b>317300</b>
Liabilities and equity		
Long term borrowings	121000	80000
Current liabilities	75000	65000

Total liabilities	196000	145000
Equity		
Equity capital	100000	100000
Retained earnings	88300	72300
Total equity	188300	172300
<b>Total liabilities and equity</b>	<b>384300</b>	<b>317300</b>

Determine the company's Fixed asset turnover ratio (use average) for 2019.

Note: Fixed asset turnover ratio = Revenue/Average property, plant and equipment

1. 3.49
2. 2.47
3. 3.75
4. 3.86

A1 : 1

A2 : 2

A3 : 3

A4 : 4

#### Objective Question

43 13672043

Which of the following factors could lead to a higher inventory holding period?

I	The company is taking more time to sell its inventory
II	The company follows a Just-in-Time inventory management system and orders only when inventory is needed.
III	The inventory is moving out quickly
IV	The company is ordering huge quantities in bulk to get discounts

1. I and II
2. II and III
3. III and IV
4. IV and I

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

44 | 13672044

Which of the following will likely increase the fixed asset turnover ratio (assuming other factors are unchanged)?

I	The company received a huge order from a multinational firm due to be fulfilled in the current year.
II	The company increased the plant's capacity utilisation to meet the increasing demand.
III	A regular bulk order cancelled by a customer reduces the company's sales.
IV	The company sold off its old equipment that was held for sale for two years.

1. I and III
2. II and III
3. I and II
4. I and IV

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

45 | 13672045

ABC Co. had taken a fire insurance policy effective from 1st July 2019. The company paid a premium of Rs. 12000 for one year till 30th June 2020. The company's accountant charged the same as insurance expenses for the year ended 31st March 2020.

Which accounting concept did he violate?

1. Matching concept
2. Cost concept
3. Entity concept
4. Accrual concept

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

46 | 13672046

Revenue should be recognized when

Note: Refer to realization concept

1. Cash is received
2. Order is received
3. Earning process is complete
4. Order is in process

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

47 13672047

The company borrowed Rs. 50,000 from a lender on 30.11.2020 payable in 6 months. This would form part of \_\_\_\_\_ in the balance sheet as on 31.12.20.

1. Non-current Liabilities
2. Current Liabilities
3. Owners' Equity
4. Liabilities of its competitors

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

48 13672048

Furniture is a \_\_\_\_\_ asset for a steel manufacturer and furniture is a \_\_\_\_\_ asset for a furniture dealer.

1. Current, Non-Current
2. Non-Current, Intangible
3. Non-Current, Current
4. Intangible, Current

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

49 13672049

A company's inventories and purchases information for the year ended 31<sup>st</sup> December 2021 is as follows:

Opening inventories 1 Jan 2021	\$ 20,000
Purchases during the year	162,000
Closing inventories 31 Dec 2021	18,000

What is the cost of goods sold during the year ended 31<sup>st</sup> Dec 2021?

1. \$172,000
2. \$182,000
3. \$164,000
4. \$160,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4

## Objective Question

50 13672050

Landlord Co. purchased land two years ago at a cost of Rs.100,000. The land was sold in cash for Rs.150,000 during the current financial year. What is the amount of cash inflows that would be shown under the investing activities in the cash flow statement?

1. Rs.150,000
2. Rs.100,000
3. Rs.50,000
4. Rs.200,000

A1 : 1

A2 : 2

A3 : 3

A4 : 4