

- Question No. 1

In a personal account, whose account is credited?

**Options :**

1. Receiver
2. Debtor
3. Creditor
4. Giver
5. None of the above

Answer : Giver

- Question No. 2

As per realization principle, revenue will be recognized:

**Options :**

1. When goods are dispatched
2. When advance payment received
3. When goods have been delivered
4. When payment received for good delivered
5. None of the above

Answer : When goods have been delivered

- Question No. 3

Where are the fictitious assets shown in the financial statements?

**Options :**

1. Debit side of Profit and loss statement
2. Credit side of Profit and loss statement

3. Asset side of balance sheet
4. Liabilities side of balance sheet
5. Not shown in financial statements

Answer : Asset side of balance sheet

• Question No. 4

Contingent liabilities are recorded in:

**Options :**

1. Debit side of Income statement
2. Credit side of Income statement
3. Asset side of balance sheet
4. Liabilities side of balance sheet
5. Notes to accounts

Answer : Notes to accounts

• Question No. 5

Accounting standards in India issued by:

**Options :**

1. ICAI
2. INDIAN ACCOUNTING ASSOCIATION
3. IFCI
4. IIFCL
5. NFRA

Answer : ICAI

• Question No. 6

What is the full form of GAAP?

**Options :**

1. Generally Adhered Accounting Process
2. Generally Acknowledged Accounting Process
3. Generally Apportioned Accounting Principles
4. Generally Administered Accounting Postulates
5. Generally Accepted Accounting Principles

Answer : Generally Accepted Accounting Principles

• Question No. 7

Accounting of National Income at constant prices is known as \_\_\_\_\_

**Options :**

1. Nominal income
2. Real income
3. Current income
4. Constant income
5. None of the above

Answer : Real income

• Question No. 8

Financial position on particular date is shown in:

**Options :**

1. Balance sheet
2. Trading account
3. Profit and loss account
4. Trial balance
5. All of the above

Answer : Balance sheet

- Question No. 9

CAAT stands for \_\_\_\_\_

**Options :**

1. Chartered Accounting Assisted Tools
2. Computer Assisted Audit Techniques
3. Computer Assisted Accounting Techniques
4. Chartered Accounting Assisted Techniques
5. None of the above

Answer : Computer Assisted Audit Techniques

- Question No. 10

..... is an audit on a legal entity (the auditee) by two or more auditors to produce a single audit report, thereby sharing responsibility for the audit.

**Options :**

1. Composite audit
2. Joint audit
3. Syndicate audit
4. Group audit
5. Dual Audit

Answer : Joint audit

- Question No. 11

What is the full form of CVC written on the credit cards?

**Options :**

1. Card Verification Code
2. Credit Verification Code

- 3. Card Value Code
- 4. Credit Value Code
- 5. None of the above

Answer : Card Verification Code

• Question No. 12

Budgeted costing, marginal costing and standard costing are the \_\_\_\_\_

**Options :**

- 1. Method of costing
- 2. Technique of costing
- 3. Norms of costing
- 4. Procedure of costing
- 5. None of the above

Answer : Technique of costing

• Question No. 13

First Annual General Meeting (AGM) must be held within \_\_\_\_\_ from the end of the first financial year of the company.

**Options :**

- 1. 6 months
- 2. 9 months
- 3. 12 months
- 4. 15 months
- 5. 18 Months

Answer : 9 months

• Question No. 14

A company purchased machinery in order to increase production, it will be recorded under:

**Options :**

1. Revenue expenditure
2. Capital expenditure
3. Deferred expenditure
4. Capital receipts
5. Revenue receipts

Answer : Capital expenditure

• Question No. 15

Under which method of depreciation the value of a fixed asset is reduced uniformly over its useful life?

**Options :**

1. Diminishing value method
2. Sum of years' digit method
3. Straight line method
4. Horizontal line method
5. Vertical line method

Answer : Straight line method

• Question No. 16

Which of the following is not a type of GST?

**Options :**

1. CGST
2. SGST
3. IGST
4. AGST
5. None of the above

Answer : AGST

• Question No. 17

Which of the following is in the correct order?

**Options :**

1. Journal entries, Posting to the Ledger, Trial Balance Period, Financial reporting and Auditing
2. Trial Balance Period, Journal entries, Posting to the Ledger, financial Reporting and Auditing
3. Posting to the Ledger, Trial Balance Period, Journal entries, Financial Reporting and Auditing
4. Trial Balance Period, Financial Reporting and Auditing, Journal entries, Posting to the Ledger
5. None of the above

Answer : Journal entries, Posting to the Ledger, Trial Balance Period, Financial reporting and Auditing

• Question No. 18

“Revenues and expenses must be recorded in the accounting period in which they were earned or incurred, no matter when cash receipts or outlays occur”. This is followed as per which of the following accounting methods?

**Options :**

1. Mercantile basis accounting
2. Cash basis accounting
3. Tax basis accounting
4. Revenue basis accounting
5. None of the above

Answer : Mercantile basis accounting

• Question No. 19

**Which of the following is true regarding SWIFT :**

- a) It is secure financial messaging carrier;

- b) It was founded in 1973 by group of 239 banks from 15 countries;
- c) It is a cooperative utility for promotion and development of standardized global interactivity for financial transactions
- d) It grants re-finance facility to member banks.

**Choose the correct answer from the options given below:**

**Options :**

- 1. Only a, b and c
- 2. Only b and c
- 3. Only a, c and d
- 4. All options are correct
- 5. None is correct

Answer : Only a, b and c

• Question No. 20

..... Is a report on which is accumulated all of the costs associated with a product or production job.

**Options :**

- 1. Cost sheet
- 2. Revenue sheet
- 3. Production sheet
- 4. Profit sheet
- 5. Statement of cost

Answer : Cost sheet

• Question No. 21

Loss by fire is type of

**Options :**



1. Normal loss
2. Abnormal loss
3. Seasonal loss
4. Standard loss
5. Occasional loss

Answer : Abnormal loss

• Question No. 22

RuPay card was launched by

Options :

1. RBI
2. SEBI
3. Government of India
4. NPCI
5. None of the above

Answer : NPCI

• Question No. 23

Reserved stock is required to prevent

Options :

1. Stock out
2. Stock loss
3. Loss by fire
4. To meet excess demand
5. None of the above

Answer : Stock out

- Question No. 24

When company assets increases, its liabilities

**Options :**

1. Decreases
2. Neutral
3. Increases
4. No relation
5. None of the above

Answer : Increases

- Question No. 25

It is a special account that a firm prepares to show the distribution of profits/losses among the partners or shareholders. Name of such account is:

**Options :**

1. Balance sheet
2. Trading account
3. Profit and loss account
4. P & L Appropriation account
5. Cashflow Account

Answer : P & L Appropriation account

- Question No. 26

ABC analysis is an inventory control technique in which:

**Options :**

1. Inventory levels are maintained
2. Inventory is classified into A, B and C category with A being the highest quantity, lowest value

3. Inventory is classified into A, B and C Category with A being the lowest quantity, highest value
4. Inventory is classified into A, B and C category with A being the newest inventory purchased
5. Inventory is classified into A, B and C category with A being the oldest inventory purchased

Answer : Inventory is classified into A, B and C Category with A being the lowest quantity, highest value

• Question No. 27

Any decrease in the bank balance is recorded on \_\_\_\_\_ side of Cash Book and in \_\_\_\_\_ Column of Pass Book.

**Options :**

1. Debit; Credit
2. Credit; Debit
3. Debit, Debit
4. Credit, Credit
5. None of the given options

Answer : Credit; Debit

• Question No. 28

Which of the following is an area of focus under RKVY?

**Options :**

1. Agriculture
2. Industry
3. MSME sector
4. All the above
5. None of the above

Answer : All the above

• Question No. 29

Opportunity cost is\_\_\_\_\_?

**Options :**

1. The cost incurred in the past before we make a decision about what to do in the future.
2. A cost that cannot be avoided, regardless of what is done in the future
3. That which we forgo, or give up, when we make a choice or a decision.
4. The additional benefit of buying an additional unit of a product
5. None of the above.

Answer : That which we forgo, or give up, when we make a choice or a decision.

• Question No. 30

The framework for establishing good corporate governance and accountability was originally set up by the

**Options :**

1. Nestle committee
2. Rowtree committee
3. Thornton committee
4. Cadbury committee
5. None of the above

Answer : Cadbury committee

• Question No. 31

Which of the following is not a kind of audit?

**Options :**

1. Statutory audit
2. Government audit
3. Cost and Management audit
4. None of the above
5. All of the above

Answer : None of the above

- Question No. 32

When an enterprise has an unhedged receivable or payable denominated in a foreign currency and settlement of the obligation has not yet taken place that firm is said to have:

**Options :**

1. Transaction exposure
2. Accounting exposure
3. Infinite exposure
4. Operating exposure
5. Tax exposure

Answer : Transaction exposure

- Question No. 33

One difference between financial lease and operating lease is:

**Options :**

1. There is often a call option in a financial lease.
2. There is often an option to buy in an operating lease.
3. An operating lease is often cancellable by the lessee
4. A financial lease is often cancellable by the lessee.
5. None of the above

Answer : An operating lease is often cancellable by the lessee

- Question No. 34

The death-cum-retirement gratuity received by the Government Employee or employee of local authority is

\_\_\_\_\_.

**Options :**

1. Partially exempted

2. Fully exempted
3. Half taxable
4. Fully taxable
5. None of the above

Answer : Fully exempted

• Question No. 35

Cost or expenses must be recorded at the same time as the revenue to which they correspond is specified by which principle?

**Options :**

1. Matching Principle
2. Going Concern Principle
3. Consistency Principle
4. Prudence Principle
5. None of the above

Answer : Matching Principle

• Question No. 36

During costing process, to arrive at the gross profit of a trading business, which one of the following formula is most suitable ?

**Options :**

1. Sales - (Opening Stock - Purchases - Closing Stock)
2. Sales - (Opening Stock + Purchases + Closing Stock)
3. Sales - (Opening Stock + Purchases - Closing Stock)
4. Sales - (Opening Stock - Purchases + Closing Stock)
5. Sales - (Opening Stock + Purchases)

Answer : Sales - (Opening Stock + Purchases - Closing Stock)

- Question No. 37

Opening work in process inventory can be calculated as under

**Options :**

1. FIFO and Average costing
2. LIFO and Average costing
3. FIFO and LIFO costing
4. None of given option
5. All the given option.

Answer : FIFO and Average costing

- Question No. 38

Which of the following is a characteristic of process cost accounting system?

**Options :**

1. Material, Labor and Overheads are accumulated by orders
2. Companies use this system if they process custom orders
3. Opening and Closing stock of work in process are related in terms of completed units
4. Only Closing stock of work in process is restated in terms of completed units
5. None of the above

Answer : Opening and Closing stock of work in process are related in terms of completed units

- Question No. 39

Cost of production report is a \_\_\_\_\_

**Options :**

1. Financial statement
2. Production Process report
3. Order Sheet

- 4. Profit and loss report
- 5. Budget sheet

Answer : Production Process report

• Question No. 40

Fixed cost per unit decreases when \_\_\_\_\_

**Options :**

- 1. Production volume increases.
- 2. Production volume decreases
- 3. Variable cost per unit decreases
- 4. Variable cost per unit increases
- 5. None of the above

Answer : Production volume increases.

• Question No. 41

If material standard cost is Rs.26,668/- and actual cost Rs.25,419, actual quantity is 100 units, the material price variance will be:

**Options :**

- 1. 191300 ,adverse
- 2. 191300 ,favorable
- 3. 124900, favorable
- 4. 124900, Unfavorable
- 5. 133900 ,favorable

Answer : 124900, favorable

• Question No. 42

Given Sales is Rs.1, 20,000 and Gross Profit is Rs.30,000, the gross profit ratio is



**Options :**

1. 24%
2. 25%
3. 40%
4. 44%
5. 50%

Answer : 25%

• Question No. 43

Fixed cost Rs.40,000, variable cost Rs.50,000, net profit is 10% on sales, find out the sales of the company.

**Options :**

1. 100000
2. 200000
3. 300000
4. 400000
5. 500000

Answer : 100000

• Question No. 44

Sale of a product amounts to 200 units per month at Rs. 10 per unit. Fixed overhead cost is Rs. 400 per month and variable cost is Rs. 6 per unit. What is the PV Ratio?

**Options :**

1. 25%
2. 30%
3. 40%
4. 50%
5. 67%

Answer : 40%

• Question No. 45

If total cost of 100 units is Rs 5000 and those of 101 units is Rs 5030 then increase of Rs 30 in total cost is

**Options :**

1. Marginal cost
2. Prime cost
3. All variable overheads
4. Standard cost
5. None of the above

Answer : Marginal cost

• Question No. 46

Calculate the current ration from the following information

§ Cash = Rs.15 lakh

§ Marketable securities = Rs.20 lakh

§ Inventory = Rs.25 lakh

§ Short-term debt = Rs.15 lakh

§ Accounts payables = Rs.15 Lakh,

**Options :**

1. 5 times
2. 0.2 times
3. 0.8 times
4. 2 times
5. 3.2 times

Answer : 5 times

- Question No. 47

Calculate quick ratio, if a business holds:

₹ Cash = Rs.10 lakh

₹ Marketable securities = Rs.50 lakh

₹ Account receivables = Rs.25 lakh

₹ Stock = Rs. 30 lakh

₹ Account payables = Rs.15 lakh,

**Options :**

1. 1 times
2. 3.67 times
3. 5.6 times
4. 5 times
5. 7.67 times

Answer : 5.6 times

- Question No. 48

Calculate Net cashflow from the following details

- o Depreciation expenses = 10,000
- o Proceeds from the sale of equipment used in the business = 6,000
- o The proceeds from the sale of the automobiles = 50,000
- o Purchase of Treasury Stock (company's own stock) = 20,000

**Options :**

1. 56,000

2. 46,000
3. 36,000
4. 26,000
5. 30,000

Answer : 36,000

• Question No. 49

The degree of financial leverage may be defined as:

**Options :**

1. percent change in sales/percent change in volume
2. percent change in EPS/percent change in net income
3. percent change in EPS/percent change in EBIT
4. percent change in EPS/percent change in sales
5. None of the above

Answer : percent change in EPS/percent change in EBIT

• Question No. 50

At breakeven point

**Options :**

1. Total expenses = Total revenue
2. Total expenses > Total revenue
3. Total expenses < Total revenue
4. Fixed cost expenses = Revenue
5. Variable cost expenses = Revenue

Answer : Total expenses = Total revenue

• Question No. 51

Which of the following Liabilities are not shown in the Balance Sheet?

**Options :**

1. Loans taken from the bank
2. Capital introduced by the promoter
3. Goods bought on credit from suppliers
4. Bank guarantee issued by a bank
5. Provision for tax

Answer : Bank guarantee issued by a bank

• Question No. 52

Which of the following best describes the Working Capital?

**Options :**

1. Total Assets – Liabilities
2. Capital contributed by the owners
3. Current Assets – Current Liabilities
4. Cash + Inventory
5. Current assets - Inventory

Answer : Current Assets – Current Liabilities

• Question No. 53

Match the following:

|      |                       |    |                   |
|------|-----------------------|----|-------------------|
| I.   | Test of Liquidity     | A. | ROI               |
| II.  | Test of Profitability | B. | Debtors turnover  |
| III. | Test of Solvency      | C. | Acid test ratio   |
| IV.  | Test of Activity      | D. | Debt equity ratio |

**Options :**

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

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

Answer : I-C, II-A, III-D, IV-B

• Question No. 54

Credit Information Bureau (India) Limited CIBIL is India's credit information bureau which provides consumers credit scores to a closed user group of members. CIBIL is regulated by?

**Options :**

1. RBI
2. SEBI
3. Both A & B
4. M/o Finance
5. Trans Union

Answer : RBI

• Question No. 55

Which of the following is correct about Commercial Papers (CP)?

**Options :**

1. CP is issued by banks to manage liquidity
2. CP is issued by Central Government for short term requirements
3. CP is issued by corporates for short term
4. CP is issued by municipalities to meet short term needs
5. All of the above

Answer : CP is issued by corporates for short term

• Question No. 56

The per unit expense of the \_\_\_\_\_ portion factory overhead varies with the volume of production while \_\_\_\_\_ portion remains the same with volume.

**Options :**

1. Fixed, variable
2. variable, fixed
3. variable, semi-variable
4. Fixed, semi-variable
5. Semi-variable, variable

Answer : Fixed, variable

• Question No. 57

An investor should buy a bond if

**Options :**

1. Intrinsic Value < Market Value
2. Market Value < Redemption Value
3. Market Value > Redemption Value
4. Intrinsic Value > Market Value
5. Intrinsic value < redemption value

Answer : Intrinsic Value > Market Value

• Question No. 58

Calculate the working capital of the company from the following information:

|          |            |
|----------|------------|
| Equity   | Rs.10 lakh |
| Reserves | Rs.25 lakh |

|                     |            |
|---------------------|------------|
| Borrowings          | Rs.70 lakh |
| Current liabilities | Rs.20 lakh |
| Fixed assets        | Rs.60 lakh |
| Current investments | Rs.25 lakh |
| Debtors             | Rs.20 lakh |
| Cash                | Rs.20 lakh |

**Options :**

1. Rs.20 lakh
2. Rs.45 lakh
3. Rs.65 lakh
4. 2 times
5. 3.25 times

Answer : Rs.45 lakh

• Question No. 59

Which of the following is NOT a difference between factoring and forfeiting?

**Options :**

1. Factoring is with or without recourse while forfeiting is always without recourse
2. Factoring is usually done for domestic transactions while forfeiting is done in case of international transactions
3. In factoring the seller of invoice receives the payment upfront while in forfeiting the seller of invoice gets the payment in instalments
4. Factoring involves short term maturity invoices while forfeiting involves medium to long term invoices
5. All are the differences between factoring and forfeiting

Answer : In factoring the seller of invoice receives the payment upfront while in forfeiting the seller of invoice gets the payment in instalments



- Question No. 60

Which of the following CANNOT be a reason of unfavorable direct materials price variance?

**Options :**

1. Sudden rise in price of materials
2. Quality of materials purchased
3. Appointment of inexperienced workers
4. Inefficient standard setting
5. None of the above

Answer : Appointment of inexperienced workers

- Question No. 61

Under marginal costing, which of the following cost will NOT be attributed to the product cost?

**Options :**

1. Raw material cost
2. Freight inward
3. Labor cost
4. Rent
5. None of the above

Answer : Rent

- Question No. 62

What will be the profit for Company X, a construction company, if it books cost of sales as Rs.5 lakh, overhead cost as Rs.1 lakh, selling cost as Rs.50,000 against sales of Rs.6.5 lakh?

**Options :**

1. Rs.0
2. Rs.50,000

- 3. Rs.1 lakh
- 4. Rs.1.5 lakh
- 5. loss of Rs.1 lakh

Answer : Rs.1.5 lakh

• Question No. 63

If cash is paid to the creditors, how will the Return on Equity (RoE) be impacted?

**Options :**

- 1. RoE will decrease
- 2. RoE will increase
- 3. RoE will not be affected
- 4. A or B
- 5. Any of the above

Answer : RoE will not be affected

• Question No. 64

Which of the following statement is true?

**Options :**

- 1. Employee fraud and management fraud are one and the same.
- 2. Internal control system reduces the possibility of occurrence of employee fraud and management fraud
- 3. Statutory audit cannot be conducted by Chartered Accountants.
- 4. Interim audit is audit done on day to day basis.
- 5. All of the above.

Answer : Internal control system reduces the possibility of occurrence of employee fraud and management fraud

• Question No. 65

Process of verifying the documentary evidence of transactions are known as \_\_\_\_\_

**Options :**

1. Auditing
2. Testing
3. Vouching
4. Verification
5. all of the above

Answer : Vouching

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