

TEST

Accounts MCQ 2

QUESTIONS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 A Profit ratio of $1/2 : 1/3 : 1/8 : 1/24$ when express in whole numbers will be_____

- 3:2:1:4
- 12:8:3:1
- 1:2:3:12
- 4:2:1:8

Correct: +1

2 The withdrawals of partner from the business for their personal use is called as_____

- Capital
- Profit
- Drawings
- cash

Correct: +1

3 Debit balance of trading account indicates_____

- Gross Profit
- Gross Loss
- Net Profit
- Net Loss

Correct: +1

4 The Indian Partnership Act came into force in _____.

- 1942
- 1932
- 1953
- 1956

Correct: +1

5 Trading account is prepared on the basis of _____ Expenses

- Indirect
- Direct
- Revenue
- Other

Correct: +1

6 The _____ ratio is useful for making adjustment for goodwill among the old partners

- new
- sacrifice
- old
- profit & loss

Correct: +1

7 If goodwill account is raised only to the extent of retiring partners share, _____ A/c is credit.

- Cash
- goodwill
- all partners capital account
- Retiring partner's capital

Correct: +1

8 Gain ratio is calculated on _____

- Admission of partner
- Retirement of partner
- death of partner
- Retirement or death of partner

Correct: +1

9 A Debit balance of profit & loss suspense account is shown in the new balance sheet on _____ side.

- Liabilities
- Assets
- Debit
- None of these

Correct: +1

10 Partnership is compulsorily dissolve when the partner of the firm becomes _____

- Solvent
- Insolvent
- Creditor
- None of these

Correct: +1

11 A new partner is admitted in the firm for getting additional capital & skill.

- True
- False

Correct: +1

12 The credit balance of revaluation account means loss on revaluation account

- True
- False

Correct: +1

13 Revaluation account is also called realization account

- True
- False

Correct: +1

14 Retirement of a partner leads to dissolution of the firm unless otherwise agreed upon.

- True
- False

Correct: +1

15 If goodwill is written off retiring partners capital account is debited.

- True
- False

Correct: +1

16 Balance of the deceased partner's capital account is transferred to his loan account

- True
- False

Correct: +1

17 Deceased partner is not entitled to get goodwill.

- True
- False

Correct: +1

18 Debit balance of insolvent partner's capital account is known as capital deficiency'

- True
- False

Correct: +1

19 Dissolution takes place when the relation among the partners come to an end

- True
- False

Correct: +1

20 Receipts & payment accounts records only cash transactions.

- True
- False

Correct: +1

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ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 12:8:3:1
- 2 Drawings
- 3 Gross Loss
- 4 1932
- 5 Direct
- 6 sacrifice
- 7 Retiring partner's capital
- 8 Retirement or death of partner
- 9 Assets
- 10 Insolvent
- 11 True
- 12 False
- 13 False
- 14 True
- 15 False
- 16 False
- 17 False
- 18 True
- 19 True
- 20 True