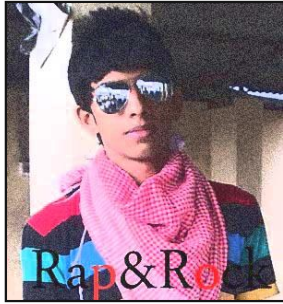


UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION



B Com
(2011 Admission Onwards)

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III Semester

Core Course

CORPORATE ACCOUNTING

QUESTION BANK

1. is an artificial person created by law
A. Firm B. Sole trader C. Company D. None of these
2. The liability of shareholders of a company is
A. Limited B. Unlimited C. Uncertain D. None of these
3. A company is managed by its.....
A. Partners B. Auditor C. Board of Directors D. Debenture holder
4.company Is a company created by a special Act in Parliament
A. Government B. Registered C. Chartered D. Statutory
5. A company registered with Registrar of Companies under Indian Companies Act is called as.....
A. Government B. Registered C. Chartered D. Statutory
6. The company in which the liability of members is liable to pay the agreed amount at the time of winding up is called as
A. Unlimited Company B. Company limited by shares
C. Company limited by guarantee D. Liquidating Company

7. A company in which the transferability of share is restricted is called as
- A. Government Company B. Private Company
C. Public Company D. Foreign Company
8.is the first stage in the formation of a public company
- A. Promotion B. Incorporation
C. Capital Subscription D. Commencement
9. Authorised capital is called as.....
- A. Reserve capital B. Nominal Capital C. Capital Reserve D. Subscribed capital
10.is that portion of capital which is called up only on winding up of the company.
- A. Authorised Capital B. Issued capital
C. Subscribed capital D. Reserve capital
11. In case ofpreference shares, the arrears of dividend are carried forward and paid out of the profits of the subsequent years.
- A. Participating B. Convertible C. Cumulative D. Redeemable
12.shares are repayable after the expiry of the fixed period or at the option of the company.
- A. Participating B. Convertible C. Cumulative D. Redeemable
13. A bundle of fully paid shares is called.....
- A. Stock B. Sweat Equity C. Warrant D. None of these
14. IPO stands for
- A. Initial Private Offer B. International Public Offer
C. Initial Public Offer D. International Private Offer
15. In the company offers the investors an opportunity to bid collectively.
- A. Private Placement B. Offer for sale C. Book building D. IPO
16. As per the companies Act, the interest on calls in advance is
- A. 10% B. 6% C. 5% D. 7%
17. The rate of interest on Calls in arrears as per Companies Act is
- A. 10% B. 6% C. 5% D. 7%

18. The shares of a company can be issued at
- A. Par B. Premium C. Discount D. All of these
19. Share application account is a
- A. Real Account B. Nominal Account
C. Impersonal Account. D. Personal Account
20. The rate of discount on shares cannot exceed
- A. 10% B. 5% C. 6% D. 7%
21. A newly established company cannot issue shares at
- A. Par B. Premium C. Discount D. All of these
22.of total issued amount of capital is called minimum subscription.
- A. 75% B. 90% C. 95% D. 80%
23. The rate of discount should not exceed Of nominal vale of shares.
- A. 10% B. 5% C. 6% D. 7%
24. The minimum application money to be paid by an applicant must not be less thanas per Companies Act.
- A. 10% B. 5% C. 15% D. 20%
25. The excess price received on the par value of shares should be credited to
- A. Calls in advance A/c B. Reserve Capital A/c
C. Security Premium A/c D. None of these
26. Underwriting commission is classified as
- A. Capital Loss B. Capita Expenditure
C. Revenue expenditure D. Deferred revenue expenditure
27. Compulsory cancellation of shares by the company\y due to non-payment of allotment or call money is called
- A. Surrender of Shares B. Buy back of shares
C. Forfeiture of shares D. All of these
28. The profit on reissue of forfeited shares is transferred to
- A. General reserve B. Capital Redemption reserve
C. Capital reserve D. Investment Allowance reserve

29. Preference shareholders are.....
- A. Debtors of the company B. Creditors of the company
C. Owners of the company D. None of these
30. The shares firstly offered to the existing shareholders are called as
- A. Right shares B. Bonus shares C. Ordinary shares D. None of these
31. The security premium account is shown in the balance sheet under the head.....
- A. Share capital B. Reserves & Surplus C. Secured loans D. Current liabilities
32.should be deducted from the share capital to determine the paid up capital.
- A. Security premium B. Calls in advance C. Calls in arrears D. Discount on issue
33. The share capital account is debited withwhile forfeiting shares
- A. Calls in arrears B. Paid up capital C. Called capital D. Issued capital
34. On an equity share of Rs. 20, the company has called up Rs. 16 but Rs.14 has been received by the company, the share capital account should be credited by
- A. Rs. 20 B. Rs. 16 C. Rs. 14 D. Rs. 6
35. Balance of forfeited share is
- A. Revenue Reserve B. Capital Reserve
C. Secret Reserve D. Security Premium
36. When shares are issued at a price higher than their face value, it is called issue at.....
- A. Par B. Premium C. Discount D. None of these
37. The shares of a company only can be forfeited after giving adays notice
- A. 21 B. 14 C. 7 D. 30
38. The forfeited shares can be reissued at
- A. Par B. Premium C. Discount D. All of these
39. Discount on reissue of forfeited shares should not exceed
- A. Amount forfeited B. Face value C. Issued price D. Market price
40. Preference shares cannot be redeemed at
- A. Par B. Premium C. Discount D. All of these

41. Preference shares can be redeemed by.....
- A. Fresh issue of shares
 - B. Profit
 - C. Partly out of fresh issue and partly out of profit.
 - D. All of these
42. preference shares can be redeemed
- A. Fully paid
 - B. Partly paid
 - C. Both A and B
 - D. None of these
43. Profit available for dividend distribution is called
- A. Capital profit
 - B. Divisible profit
 - C. Capital Reserve
 - D. None of these
44. Which of the following is an example for capital profit?
- A. Capital Reserves
 - B. Security premium
 - C. Forfeited shares
 - D. All of these.
45. Which of the following is an example for divisible profit?
- A. General Reserve
 - B. Security premium
 - C. Forfeited shares
 - D. All of these.
46. In case of redemption out of profit, an amount equal to face value of shares so redeemed should be transferred to
- A. Security premium
 - B. Capital Redemption Reserve
 - C. Dividend Equalization Reserve
 - D. None of these
47. Capital Redemption Reserve Account can be utilized for.....
- A. Writing off past losses
 - B. Issuing partly paid bonus shares
 - C. Writing off capital losses
 - D. Issuing fully paid bonus shares
48. The allotment of shares in case of oversubscription is called.....
- A. Pro-rata allotment
 - B. Private Placement
 - C. Offer for sale
 - D. None of these
49. Security premium account can be utilized for
- A. Issuing fully paid bonus shares
 - B. Write off preliminary expenses
 - C. Write off underwriting commission
 - D. All of these
50.is that portion of issued capital which is applied for by the public.
- A. Issued capital
 - B. Subscribed capital
 - C. Nominal Capital
 - D. Paid up capital

51.is an instrument of acknowledgment of debt.
A. Equity share B. Preference Share C. Debenture D. All of these
52. Debenture represents Of a company
A. Borrowed capital B. Owned capital C. Hybrid capital D. None of these
53. Debenture holders will get
A. Dividend B. Interest C. Profit D. All of these
54. Debenture holders are theof a company
A. Debtors B. Owners C. Creditors D. Borrowers
55. A charge created not on specific assets but generally on all assets is known as.....
A. Fixed charge B. Floating charge C. Mortgage D. None of these
56.debentures can be transferred only with the knowledge of the company.
A. Naked B. Mortgage C. Registered D. Bearer
57.debentures are transferable by mere delivery
A. Naked B. Mortgage C. Registered D. Bearer
58.debentures are secured by the assets of the company
A. Naked B. Mortgage C. Registered D. Bearer
59. Unsecured debentures are called asdebentures
A. Naked B. Mortgage C. Registered D. Bearer
60. FCD stands for
A. Fixed Charge Debentures B. Floating Charge Debentures
C. Fully Convertible Debentures D. None of these
61. When debentures are issued as a consideration of purchase of assets Is debited.
A. Debenture Account B. Cash Account
C. Assets Account D. Creditor Account
62. Discount or loss on issue of debenture is a
A. Capital Profit B. Revenue Receipt C. Capital Loss D. Revenue Expense
63. Discount or loss on issue of debenture is shown in the balance sheet under the head
A. Reserves & Surplus B. Secured loans
C. Current liabilities D. Miscellaneous expenditure

64. Debentures can be redeemed out of
- A. Fresh issue B. Capital C. Profit D. All of these
65. Interest on debenture is
- A. Adjustment of profit B. Appropriation of Profit.
C. Charge on profit D. None of these
66. Debentures are shown in the balance sheet under the head
- A. Secured loans B. Unsecured loans C. Provisions D. Current liabilities
67. After realizing all the investments, the balance in the sinking fund account is transferred to
- A. Profit and Loss A/c B. Debenture Account
C. Sinking fund A/c D. Capital reserve
68. When own debentures are cancelled, any profit on cancellation is transferred to
- A. General Reserve B. Capital Reserve C. Profit and Loss A/c D. Debenture A/c
69. If the purchase price of debentures includes interest for the expired period, the quotation is said to be
- A. Ex-interest B. Cum-interest C. Co-interest D. None of these
70. If the purchase price of debentures excluding interest for the expired period, the quotation is said to be
- A. Ex-interest B. Cum-interest C. Co-interest D. None of these.
71. As perit is the statutory obligation of companies to prepare their final accounts.
- A. Sec 210 B. Sec 211 C. Sec 212 D. Sec 214
72. The Balance sheet of Companies are prepare in the form
- A. Part I of Schedule V B. Part I of Schedule VI
C. Part II of Schedule V D. Part II of Schedule VI
73. The Profit and Loss Account of companies is prepared in the form
- A. Part I of Schedule V B. Part I of Schedule VI
C. Part II of Schedule V D. Part II of Schedule VI
74. The dividend declared between two annual general meeting is called
- A. Proposed Dividend B. Final Dividend C. Interim Dividend D. None of these

75. The net profit available for dividend distribution is called
- A. Net Profit B. Surplus C. Divisible Profit D. Capital Profit
76. Dividend in the form of shares is called
- A. Interim Dividend B. Scrip Dividend C. Final Dividend D. None of these
77.is the dividend declared in the annual general meeting of shareholders.
- A. Proposed Dividend B. Final Dividend C. Interim Dividend D. None of these
78. The dividend recommended by the Board of Directors is called.....
- A. Proposed Dividend B. Final Dividend C. Interim Dividend D. None of these
79. Unclaimed dividend is shown in the balance sheet under the head
- A. Reserves and Surplus B. Current Liabilities
B. Loans and Advances D. Current Assets
80.is a charge against profit of the company
- A. Provision B. Reserves C. Surplus D. All of these
81. CDT stands for....
- A. Company Direct Tax B. Corporate Dividend Tax
C. Combined Direct Tax D. None of these
82. An item which may or may not be the liability of the company due to happening of certain event is.....
- A. Current Liability B. Fixed Liability C. Contingent Liability D. None of these
83. Advance tax paid is shown in the balance sheet under the head.....
- A. Current Liabilities B. Loans and Advances C. Fixed Assets D. None of these
84. Preliminary expenses not written off are shown in the balance sheet under the head...
- A. Current Assets B. Investments
C. Current Liabilities D. Miscellaneous Expenditure
85. If rate of proposed dividend is less than 10% of paid up capital, the rate of profit transferred to Reserve shall be.....
- A. 10% B. 2.5% C. 5% D. Nil
86.is concerned with accounting for amalgamation.
- A. AS – 10 B. AS – 12 C. AS – 14 D. AS – 16

87. In, a new company is formed to take over the business of two or more existing companies which go into liquidation
- A. Amalgamation
B. External reconstruction
C. Absorption
D. Internal reconstruction
88. Amalgamation is done for
- A. Eliminating competition
B. Dominating the market
C. Enjoying the benefits of large scale operation
D. All of these
89. Company which is amalgamated into another company is called
- A. Transferor company
B. Transferee Company
C. Purchasing company
D. Holding company
90. is the company into which a company is amalgamated.
- A. Transferor company
B. Transferee Company
C. Subsidiary company
D. Holding company
91. Purchase consideration is payable to
- A. Creditors
B. Shareholders
C. Debenture holders
D. All of these
92. In, a new company is formed to take over the business of an existing company which goes into liquidation.
- A. Amalgamation
B. External reconstruction
C. Absorption
D. Internal reconstruction
93. The purchase of an existing company which goes into liquidation by another existing company is known as
- A. Amalgamation
B. External reconstruction
C. Absorption
D. Internal reconstruction
94. Pooling of interest method is used in the case of
- A. Amalgamation in the nature of purchases
B. External reconstruction
C. Amalgamation in the nature of merger
D. Internal reconstruction
95. Amalgamation adjustment account is opened in the books of Transferee Company to incorporate
- A. The assets of transferor company
B. The statutory reserves of Transferor Company
C. The liabilities of transferor company
D. The statutory reserves of Transferee Company.
96. Loss on realisation is transferred to
- A. Transferee Company Account
B. Transferor Company Account
C. Shareholders Account
D. Creditors Account
97. is a statutory reserve

- A. General Reserve
C. Dividend equalization reserve
- B. Export profit reserve
D. Capital Reserve
98. Liquidation expenses paid by the transferee company are debited to
- A. Liquidation expense Account
C. Preliminary expenses Account
- B. Liquidators Account
D. Goodwill Account
99. Under purchase method, the excess of net assets over purchase consideration is
- A. Debited to goodwill account
C. Credited to capital reserve account
- B. Credited to goodwill account
D. Debited to capital reserve account
100. X Ltd takes over Y Ltd and agrees to discharge debenture holders of Y Ltd at a premium of 5%. The premium should be debited to
- A. Realisation Account
C. P&L Account
- B. Shareholders Account
D. None of these
101. Which of the following is not a statutory reserve?
- A. General reserve
C. Investment allowance reserve
- B. Development rebate reserve
D. Workmen compensation fund
102. Realisation Account is a
- A. Real Account
C. Nominal Account
- B. Personal Account
D. Suspense Account
103.is not transferred to realisation account
- A. Goodwill
B. Fictitious asset
C. Trademark
D. All of these
104. 19. Trade liabilities include
- A. Creditors
B. Debentures
C. Bank overdraft
D. All of these
105. 20. Purchase consideration includes
- A. Cash
B. Shares
C. Debentures
D. All of these
106. In....., an existing company's financial structure is reorganized without liquidating the existing company and forming a new company.
- A. Amalgamation
C. Absorption
- B. External reconstruction
D. Internal reconstruction
107. Internal reconstruction is done due to
- A. Accumulated losses
C. Large amount of fictitious assets
- B. Shortage of working capital
D. All of these
108. In, the company does not loss its identity
- A. Amalgamation
C. Absorption
- B. External reconstruction
D. Internal reconstruction

109. Internal reconstruction can be
- A. Alteration of share capital
 - B. Reduction of share capital
 - C. Re-organization of capital
 - D. All of these
110. Capital of a company can be reduced by
- A. Authorization of Articles
 - B. Passing of a special resolution
 - C. Confirmation of court
 - D. All of these
111. Capital Reduction Account is a
- A. Nominal Account
 - B. Permanent Account
 - C. Temporary Account
 - D. None of these
112. The balance in Capital Reduction Account is transferred to
- A. General Reserve
 - B. Profit and loss Account
 - C. Capital Reserve
 - D. Goodwill Account
113. In internal reconstruction, increase in the value of fixed assets is credited to.....
- A. Capital reserve
 - B. Share capital
 - C. General reserve
 - D. Capital reduction account
114. In case of subdivision of share capital, the amount of share capital.....
- A. Increases
 - B. Decreases
 - C. Does not change
 - D. None of these
115. In case of subdivision of share capital, the total number of shares
- A. Increases
 - B. Decreases
 - C. Does not change
 - D. None of these
116. In internal reconstruction, the existing company will be
- A. Amalgamated
 - B. Absorbed
 - C. Liquidated
 - D. None of these
117. In internal reconstruction, amount sacrificed by shareholders are credited to.....
- A. Capital reserve
 - B. General Reserve
 - C. Capital reduction account
 - D. None of these
118. When company converts its equity shares into capital stock, the account to be credited is ...
- A. Equity share capital account
 - B. Equity capital stock account
 - C. No entry
 - D. None of these
119. Alteration of shares of smaller amounts into shares of larger amount is called
- A. Subdivision of shares
 - B. Consolidation of shares
 - C. Cancellation of shares
 - D. None of these
120. In case of consolidation of share capital, the total number of shares
- A. Increases
 - B. Decreases
 - C. Does not change
 - D. None of these

- 121..is called a factory of credit.
A. Company B. Firm C. Bank D. None of these
122. Banking companies are governed in India by
A. Banking Regulation Act B. Indian Companies Act
C. Reserve Bank of India Act D. All of these
123. CRR stands for
A. Current Reserve Ratio B. Capital Reserve Ratio
C. Cash Reserve Ratio D. Capital Redemption Ratio
124. SLR stands for
A. Savings Level Ratio B. Statutory Liquidity Ratio
C. Standard Liquidity Ratio D. None of these
125. The method of rapidly posting entries in the books of banks is called as
A. Single Entry B. Cash Method C. Slip System D. None of these
126. The P&L A/c of Banking Companies are prepared as perof Banking Regulation Act.
A. Form A of Schedule III B. Form B of Schedule III
C. Form A of Schedule VI D. Form B of Schedule VI
127.of profit is transferred to statutory reserves.
A. 10% B. 20% C. 25% D. 30%
128. Banks show the provision for income tax under the head
A. Contingent liabilities B. Deposits
C. Other liabilities and provisions D. Borrowings
129. Rebate on bills discounted is
A. An income accrued but not received B. A liability
C. An expense D. Income received in advance
130. NPA stands for.....
A. Non- Performing Assets B. Normal Performing Assets
C. National Performing Asset D. None of these
131. Schedule 1 is concerned with
A. Cash and balance with RBI B. Capital
C. Reserves and Surplus D. Investments
132. is shown under Schedule 15.
A. Interest earned B. Profit C. Interest Expended D. Appropriations
133. Acceptance, endorsements and other obligations come under the head...
A. Provisions and Contingencies B. Contingent liabilities
C. Deposits D. Borrowings

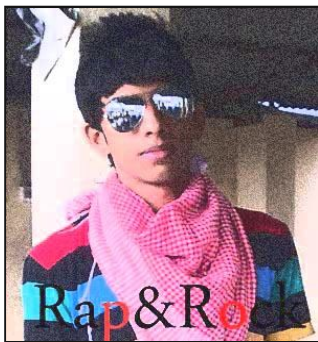
134. Assets are NPAs for a period not exceeding 12 months are called
- A. Standard Assets
 - B. Substandard Assets
 - C. Doubtful Assets
 - D. Loss Assets
135. Assets are NPAs for a period exceeding 12 months are called
- A. Standard Assets
 - B. Substandard Assets
 - C. Doubtful Assets
 - D. Loss Assets
136. is a form of agreement between two parties in which one party agrees to make good for loss of another.
- A. Contract
 - B. Insurance
 - C. Banking
 - D. Mutual fund
137. The agreement of insurance is called as
- A. Policy
 - B. Premium
 - C. Annuity
 - D. None of these
138. The consideration in insurance for covering the risk is called
- A. Claim
 - B. Premium
 - C. Annuity
 - D. None of these
139. is the party who undertakes the risk in insurance.
- A. Insurer
 - B. Assurer
 - C. Underwriter
 - D. All of these
140. The party whose risk is covered in insurance is known as
- A. Insurer
 - B. Insured
 - C. Underwriter
 - D. None of these
141. In, the insurer agrees to pay a certain sum of money to the policyholder either on his death or a certain age, which ever is less.
- A. Fire Insurance
 - B. Marine Insurance
 - C. Burglary Insurance
 - D. Life Insurance
142. General Insurance includes
- A. Fire Insurance
 - B. Marine Insurance
 - C. Burglary Insurance
 - D. All of these
143. LIC was nationalized in
- A. 1935
 - B. 1950
 - C. 1956
 - D. 1964
144. Insurance business in India is regulated by
- A. LIC
 - B. IRDA
 - C. RBI
 - D. SEBI
145. Under, the sum assured is given to the beneficiary only on death of policyholder.
- A. Whole Life Policy
 - B. Endowment Policy
 - C. Annuity
 - D. None of these
146. is the amount payable to the insured on the happening of event.
- A. Premium
 - B. Annuity
 - C. Claim
 - D. Policy
147. An annual payment which an insurer guarantees to pay for lump sum money received in the beginning is called
- A. Premium
 - B. Annuity
 - C. Claim
 - D. Policy
-

148. The amount given to the policyholder due to his inability of paying further premium is called
- A. Annuity B. Bonus C. Surrender value D. Claim
149. is an agreement between two insurance companies whereby one transfers a part of risk to other.
- A. Reinsurance B. Sub insurance C. Shared Policy D. None of these
150. Revenue Account is also called
- A. Shareholders' Account B. Policyholders' Account
C. Creditors' Account D. None of these
151. Valuation balance sheet is prepared bybusiness.
- A. Fire Insurance B. Marine Insurance C. Life Insurance D. All of these
152. The commission earned by insurance companies from others for giving them business under reinsurance is called
- A. Commission on reinsurance accepted B. Agents' commission
C. Commission on reinsurance ceded D. None of these
153. The commission given by insurance companies to others for receiving business under reinsurance is called
- A. Commission on reinsurance accepted B. Agents' commission
C. Commission on reinsurance ceded D. None of these
154. Profit and Loss Account of General Insurance Companies are prepared in
- A. Form A-PL B. Form B-RA C. Form B-PL D. Form B-BS
155. The principle of subrogation is applicable to.....
- A. Fire Insurance B. Marine Insurance C. Burglary Insurance D. All of these

ANSWER KEYS

- | | | | |
|-------|-------|-------|-------|
| 1. C | 25. C | 49. D | 73. D |
| 2. A | 26. D | 50. B | 74. C |
| 3. C | 27. C | 51. C | 75. C |
| 4. D | 28. C | 52. A | 76. B |
| 5. B | 29. C | 53. B | 77. B |
| 6. C | 30. A | 54. C | 78. A |
| 7. B | 31. B | 55. B | 79. B |
| 8. A | 32. C | 56. C | 80. A |
| 9. B | 33. C | 57. D | 81. B |
| 10. D | 34. B | 58. B | 82. C |
| 11. C | 35. B | 59. A | 83. B |
| 12. D | 36. B | 60. C | 84. D |
| 13. A | 37. B | 61. C | 85. D |
| 14. C | 38. D | 62. C | 86. C |
| 15. C | 39. A | 63. D | 87. A |
| 16. B | 40. C | 64. D | 88. D |
| 17. C | 41. D | 65. C | 89. A |
| 18. D | 42. A | 66. A | 90. B |
| 19. D | 43. B | 67. D | 91. B |
| 20. A | 44. D | 68. B | 92. B |
| 21. C | 45. A | 69. B | 93. C |
| 22. B | 46. B | 70. A | 94. C |
| 23. A | 47. D | 71. A | 95. B |
| 24. B | 48. A | 72. B | 96. C |

97. B	112. C	127. C	142. D
98. D	113. D	128. C	143. C
99. C	114. C	129. D	144. B
100. A	115. A	130. A	145. A
101. A	116. D	131. B	146. C
102. C	117. C	132. C	147. B
103. B	118. B	133. B	148. C
104. A	119. B	134. B	149. A
105. D	120. B	135. C	150. B
106. D	121. C	136. B	151. C
107. D	122. A	137. A	152. C
108. D	123. C	138. B	153. A
109. D	124. B	139. D	154. C
110. D	125. C	140. B	155. D
111. C	126. B	141. D	



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