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| **Sheth N.K.T.T College of Commerce and Sheth J.T.T College of Arts, Thane** |
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| **Subject : Corporate Financial Accounting** | **Paper Code: 67501**  |

**MULTIPLE CHOICE QUESTION (MCQ) SAMPLE QUESTION BANK**

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| **Sr.No** | **Question** | **Option A** | **Option B** | **Option C** | **Option D** |
| **U-1** | **Corporate Financial Reporting** |  |  |  |  |
| 1 | Segment reporting has to be done as per\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | AS 18 | AS 14 | Ind AS 108 | AS 1 |
| 2 | Director's Report is Mandatory as per\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | sec 134 | sec 215 | sec 15 | sec 231 of the companies Act.  |
| 3 | Audit report is sent to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | members | directors | M.D. | consumers |
| 4 |  |  |  |  |  |
| 5 | Debt equity ratio shows \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Short term solvency | liquidity | long term solvency | profitability |
| 6 | The example of Accounting policy is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Consistency | Accrual | Depreciation | going concern |
| 7 | Audit report must be signed by \_\_\_\_\_\_\_\_\_\_\_ | The auditor | The M.D. | The chairman | The accountant |
| 8 | The element of auditor’s report that distinguishes it from reports that might be issued by others is\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. | Title  | Auditor signature | Addressee | Opinion Paragraph |
| 9 | Management Discussion and Analysis is mandatory as per clause of the listing agreement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 49 | 54 | 50 | 56 |
| 10 | Corporate Governance is mandatory for \_\_\_\_\_\_\_\_\_ | Firms | companies | cooperatives | proprietors |
| 11 | Particulars of specified employees should be given in Director's Report vide section of the Companies Act \_\_\_\_\_\_\_\_\_\_\_\_ | 217 | 217 A | 217 2A | 134 |
| 12 | The auditors should enquire into loans and advances as per section \_\_\_\_\_\_\_\_\_ | 143 | 227 (B) | 227 (BB) | 227 (AA) |
| 13 | The premier National institution in India in Accounting Profession is \_\_\_\_\_\_\_\_ | ICAI | ICWAI | ICSI | CMA |
| 14 | The most common type of audit report contains an \_\_\_\_\_\_\_\_\_\_ opinion | Adverse | Disclaimer | Qualified | Unqualified |
| 15 | The schedule which requires disclosure of depreciation methods \_\_\_\_\_\_\_\_\_\_\_ | VI | VIII | VII | XIV |
| **U-2** | **International Financial Reporting Standard(IFRS) and Ind - AS** |  |  |  |  |
| 16 | Interpretations on application of IFAS are issued by \_\_\_\_\_\_\_\_ | SIC | IFRIC | IASB | ICAI |
| 17 | Till date the number of IFRI interpretation issued is \_\_\_\_\_\_\_\_\_\_ | 12 | 18 | 16 | 21 |
| 18 | The core group issued press release as on \_\_\_\_\_\_\_\_\_\_\_\_ | 1/1/2010 | 1/25/2011 | 1/22/2010 | 5/28/2010 |
| 19 | The core group has decided to converge to IFRS in \_\_\_\_\_\_\_\_\_\_\_ | 2 phases | 3 phases | 4 phases | 5 phases |
| 20 | SME are those organizations whose turnover does not exceed \_\_\_\_\_\_\_\_\_\_ | 101 crores | 100 crores |  200 crores | 250 crores |
| 21 | Total external revenue reported by operating segment is less than \_\_\_\_\_ of total revenue. | 75% | 15% | 10% | 50% |
| 22 | EPS is to be disclosed in \_\_\_\_\_\_\_\_\_ | equal to fair value | lower than fair value | higher than fair value | Moderate than fair value |
| 23 | Right issues are generally made at a price \_\_\_\_\_\_\_\_\_\_\_\_\_ | Part V | Part IV | Part IV of the schedule VI | Part III |
| 24 | \_\_\_\_\_\_\_\_ prescribes accounting treatment for property. | Ind AS 10 | Ind AS 9 | Ind AS 16 | Ind AS 12  |
| 25 | Ind AS 16 does not apply to \_\_\_\_\_\_\_\_\_ | Property | Plant | Equipment | Property held for sale |
| **U-3** | **Valuation of Business for Amalgamation & Merger** |  |  |  |  |
| 26 | The company earns a net profit of 24,000 with a capital of 1,20,000. The NRR is 10%. Under capitalization of super profit, goodwill will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 120,000 | 70,000 | 12,000 | 24,000 |
| 27 | Goodwill as per purchase of super profit method is equal to \_\_\_\_\_\_\_\_\_\_ | Super Profit | Super Profit × amount of Purchases | Super Profit × No of year's Purchases | Normal Profit |
| 28 | Goodwill is paid for obtaining \_\_\_\_\_\_\_\_\_ | future benefit | Present benefit | Past benefit | Estimate the benefit |
| 29 | Rate of interest is 11% and the rate of risk is 9%. The normal rate of return is \_\_\_\_\_\_\_\_\_\_ | 11% | 9% | 20% | 2% |
| 30 | Quoted shares are those shares which are \_\_\_\_\_\_\_\_\_\_\_\_\_ | Listed on the stock exchange | quoted daily | quoted by the seller | quoted by the buyer |
| 31 | Discounted Cash Flow method is used in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_approach | Income | Asset | Market | NOTA |
| 32 | Any non-trading income included in the profit should be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | eliminated | added | ignored | Deducted |
| 33 | Capital employed at the beginning of the year is 5,20,000 and the profit earned during the year is 60,000. Average capital employed during the year is \_\_\_\_\_\_\_\_\_\_ | 5,50,000 |  5,20,000 | 5,80,000 | 4,60,000 |
| 34 | Super Profit is 9,167 and the Normal Rate of Return is 10% Goodwill as per capitalization of Super Profit method is equal to \_\_\_\_\_\_\_\_\_\_\_ | 91,670 | 90,600 | 67,910 | 95,000 |
| 35 | Capital employed is 50,000 Trading Profit amounted 12,200, 15,000 and 2000 loss for 2008, 2009 and 2010 respectively. Rate of interest is 8% and the rate of risk is 2% Remuneration from alternative employment of the proprietor is 3,600 pa. Amount of Goodwill at 3 years. purchase of super Profit is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 8,000 |  8,800 |  8,850 | 9,500 |
| 36 | Average Profit is 19,167 and normal profit is 10,000. The Super Profit is \_\_\_\_\_\_\_\_\_\_\_\_ | 9,167 | 29,167 | 19,167 | 10,000 |
| 37 | Monetary value of the reputation , connections and profit earning capacity of a firm \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Trade mark | Goodwill | Super profit | Brand name |
| 38 | Rate of profit estimated or expected on capital employed \_\_\_\_\_\_\_\_\_\_\_ | Super profit | Average profit | Normal rate of return | Capital employed |
| 39 | Under net asset method value of a share depends on \_\_\_\_\_\_\_\_\_ | net assets available to equity shareholders | net assets available to debentures holders | net assets available to prefer shareholders | Net assets available to equity and preference shareholder both |
| 40 | Prior Sale of Business method is used in the \_\_\_\_\_\_\_\_\_\_approach | Income | Asset | Market | NOTA |
|  | **Consolidated Financial Statement** |  |  |  |  |
| 41 | \_\_\_\_\_\_\_\_\_\_ governs preparation of consolidated financial statements. | As 11 | Ind AS 110 | As 14 | As 10 |
| 42 | \_\_\_\_\_ prescribes the form of consolidated financial statements. | Ind AS 110 | As 14 | As 10 | As 9 |
| 43 | Subsidiary Co. is defined by sec. \_\_\_\_\_ of the Companies Act 2013. | 2(87) | 2(42) | 2(46) | 2(57) |
| 44 | X Ltd with 80% shares of Y Ltd supplied goods to Y Ltd for Rs. 50,000 with a profit of 10% on sale 40% of the goods are still in the stock of Y ltd. The unrealized profit on stock is\_\_\_\_\_\_\_\_ | Rs.5000 | Rs. 2,500 | Rs. 1,600 | Rs. 1,000 |
| 45 | M Ltd acquired 60% shares of N Company on 1st July, 2019. If the fixed assets of N Ltd are revalued upwards by Rs. 1,50,000 then the share of capital profit of minority shareholders is\_\_\_\_ | Rs. 90,000 | Rs. 60,000 | Rs. 37,500 | Rs. 22,500 |
| 46 | Parent’s share in post-acquisition profit is added to \_\_\_\_\_ \_\_\_\_\_. | Subsidiary | Cumulative Reserve | Outsider's interest | Holding |
| 47 | Consideration may be paid in \_\_\_\_\_ or in \_\_\_\_\_. | Outsider's interest | Stock, Profit | Cash, shares | Cash, Kind |
| 48 | For dividing the profits & reserve into capital and revenue the deciding factor is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | Date of balance sheet | Date of acquisition of shares | Date of consolidation | Date on consideration |
| 49 | Dividend declared but not claimed is \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Unpaid dividend | Unclaimed dividend | Provision for dividend | Interim dividend |
| 50 | Intra group balances and transactions resulting in unrealized profits\_\_\_\_\_\_\_\_\_\_ | Should be eliminated in full | Should be eliminated to the extent of holding company’s share | Need not be eliminated | Eliminated to the extent of minority interest |

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