



9. The purpose of management accounting is to \_\_\_\_\_
- A. Help banks make decisions                      B. Past orientation  
C. Help investors make decision                      D. Help managers make decisions
10. In management accounting, an emphasis and focus must be \_\_\_\_\_
- A. past oriented                      B. future oriented  
C. bank oriented                      D. communication oriented
11. Goodwill is an \_\_\_\_\_ asset.
- A Fictitious      B Tangible  
C Intangible      D Current
12. \_\_\_\_\_ is an item of current liability.
- A Unsecured Loans                      B Cash Balance  
C Bank Overdraft                      D Bank Balance
13. be converted Assets which can into cash within one year are \_\_\_\_\_
- A Fixed Assets                      B Fictitious assets  
C Current asset                      D None of the above.
14. In common size Income statement \_\_\_\_\_ is assumed to be hundred.
- A Gross sales                      B Net Profit  
C Operating Profit                      D None of the above
15. Income statement analysis \_\_\_\_\_ is assumed to be hundred.
- A Gross sales                      B Net Profit  
C operating Profit                      D Done of the above.
16. Current asset Rs 180000, current liabilities Rs 90000 the amount of working capital is \_\_\_\_\_.
- A 90000                      B 180000  
C 270000                      D None of the above.
17. Comparison of performance of a company over a period of time on basis of base year known as \_\_\_\_\_
- A Cost benefit Analysis                      B Comparative analysis  
C Trend Analysis                      D Common size analysis
18. The functions of management accounting includes \_\_\_\_\_.
- A Collection of data                      B Analysis of data

- C Presentation of data      D All the above.
- 19 Balance sheet is a statement of \_\_\_\_\_.
- A Assets & Liabilities.    B Working Capital  
C Operating results      D None of the above.
- 20 Comparative statement shows \_\_\_\_\_.
- A One year's performance      B Financial performance  
C Comparative performance      D Profitability.
- 21 Management accounting relates to \_\_\_\_\_.
- A Recording of accounting data    B Recording of costing data  
C Presentation of accounting data.    D None of the above
- 22 General reserve is created out of \_\_\_\_\_.
- A Profit                      B Income  
C Expenditure    D Dividend received.
- 23 Earliest year is to be considered as base year, the values of which are taken as 100 in \_\_\_\_\_.
- A Balance sheet      B Income statement  
C Trend analysis      D Comparative statement
- 24 Gross profit Ratio is \_\_\_\_\_
- A Balance Sheet Ratio      B Revenue statement Ratio  
C Composite Ratio              D Expenses Ratio
- 25 Proprietary ratio is \_\_\_\_\_
- A Composite Ratio              B Balance Sheet Ratio  
C Revenue statement Ratio    D Income Ratio
- 26 Return on capital employed is a \_\_\_\_\_
- A Balance Sheet Ratio      B Revenue statement Ratio  
C Composite Ratio              D Debt Ratio
- 27 \_\_\_\_\_ ratio is useful for long term creditors
- A Current ratio              B Return on capital employed  
C Expenses ratio              D Debt Equity ratio
- 28 A current ratio higher than 2: 1 indicates \_\_\_\_\_
- A under trading              B under investment  
C over trading                  D over investment

- 29 \_\_\_\_\_ ratio indicates the relation ship between shareholders funds and outsiders funds .
- A Proprietary ratio            B operating ratio  
 C debt- equity ratio            D Current ratio
- 30 A high Proprietary ratio indicates \_\_\_\_\_
- A high risk                      B low risk  
 C low risk to creditors    D low risk to shareholders
- 31 Debtors turnover ratio shows the number of days taken by company to collect money from \_\_\_\_\_
- A Accounts receivables      B Accounts payables  
 C Bills payables                D Bank
- 32 The total Current Assets without deducting the current liabilities
- (a) Gross working capital                      c) Permanent working capital  
 (b ) Temporary working capital              d ) Net working capital
- 33 . Current Assets - Current Liabilities
- (a) Gross working capital                      (b) Net working capital  
 (c) Permanent working capital                (d) Temporary working capital
- 34 The minimum amount of working capital required to enable the concern to operate at the lowest level of activity
- (a) Gross working capital                      (b) Net working capital  
 (c) Permanent working capital                (d) Temporary working capital
- 35 . Permanent working capital is also known as
- (a) Gross working capital                      (b) Net working capital  
 (c) Core working capital                      (d) Fixed capital
- 36 The amount of funds invested in current assets is called \_\_\_\_\_.
- (a) Gross working capital                      (b) Net working capital  
 (c) Surplus capital                              (d) None of these

37 . Under the gross working capital concept the working capital is equal to \_\_\_\_\_.

- (a) Total current liabilities
- (b) Surplus current assets
- (c) Total current assets
- (d) None of these

38 . The term net working capital refers to \_\_\_\_\_

- (a) The excess of the current assets over current liabilities
- (b) The liquid assets
- (c) The total current assets less provisions
- (d) None of these

39 Manufacturing organisation requires

- (a) Larger working capital
- (b) Smaller working capital
- (c) Moderate working capital
- (d) None of the above

40 The number of years taken by a project to recover the initial investment is called \_\_\_\_\_

- A pay back period
- B investment period
- C profit period
- D none of the above

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