

MULTIPLE CHOICE QUESTIONS

B.Com. (Hons.) (CBCS): Semester – II

Paper- BCH 2.2: CORPORATE ACCOUNTING

- 1) Preference share can be redeemed out of:
 - a) Capital reserve
 - b) Fresh issue of debentures
 - c) Fresh issue of equity shares
 - d) Revaluation of fixed assets

- 2) Which of the following statements is true?
 - a) A debenture holder is an owner of the company
 - b) A debenture holder can get his money back only on the liquidation of the company
 - c) A debenture issued at a discount can be redeemed at a premium
 - d) A debenture holder receives interest only in the event of profits

- 3) Which of the following cannot be utilized for the redemption of preference-shares of a company?
 - a) Proceeds of fresh issue of shares
 - b) General Reserve
 - c) Dividend equalization reserve
 - d) Securities premium on fresh issue of shares

- 4) Under super profit basis goodwill is calculated by:
 - a) No. of years purchased multiplied with average profits.
 - b) No. of years purchased multiplied with super profits
 - c) Summation of the discounted value of expected future benefits
 - d) Super profit divided with expected rate of return

- 5) When amalgamation is in the nature of merger, the accounting method to be followed is:
 - a) Equity method
 - b) Purchase method
 - c) Pooling of interest method
 - d) Consolidated method

- 6) Under purchase method the difference between purchase consideration and Share capital of the transferee company should be adjusted to:
 - a) General Reserve
 - b) Amalgamation adjustment account
 - c) Goodwill or capital reserve
 - d) None of the above

- 7) For writing off the accumulated losses under the scheme of capital reduction, we debit—
 - a) Share capital account
 - b) Accumulated losses account
 - c) Capital reduction account.
 - d) None of the Above

- 8) Which of the following is not type of NPA (Non-performing assets)?
 - a) Sub-standard Assets

- b) Doubtful Assets
- c) Current Assets
- d) Loss Assets

9) Schedule III Part II of the Companies Act, 2013 deals with:

- a) Format of Balance Sheet
- b) Format of Profit and Loss
- c) Format of Cash Flow
- d) Format of Trading Account

10) Which of the following cash flows is not a cash flow from operating activity?

- a) Cash receipts from royalties, fees, commissions and other revenue.
- b) Cash payments to suppliers for goods and services.
- c) Cash payment to and on behalf of employees.
- d) Payment of dividend