

Principles of Accounting Icom Part 2 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Value of the good will is calculated under capitalization formula.	<p>A. Average profit / reasonable return x 100</p> <p>B. Resonable return / average profit x 100</p> <p>C. Averager profit x 100 / resonable return</p> <p>D. None of these</p>
2	On the admission of a new partner the decrease in the value of assets is debited to.	<p>A. Revaluation account</p> <p>B. Assets account</p> <p>C. Old partner's capital account</p> <p>D. New partner capital account</p>
3	Profit of revaluation should be credited to.	<p>A. Revaluation account</p> <p>B. Liabilites accounts</p> <p>C. Old partners capital accounts</p> <p>D. Assets accounts</p>
4	In the absence of an agreement, the share of new partner in partnership will be.	<p>A. In the portion of capital</p> <p>B. Equal</p> <p>C. According to work</p> <p>D. None of the above</p>
5	The extra amount charged from the new partner over and above the capital is for.	<p>A. Purchase of Machinery</p> <p>B. Good will</p> <p>C. Purchaser of furniture</p> <p>D. Payment of liabilities</p>
6	Profit on revaluation is to be credited to old partners in their	<p>A. Sacrificing ratio</p> <p>B. New profit sharing ratio</p> <p>C. Old profit sharing ratio</p> <p>D. Equal profit sharing ratio</p>
7	When a new partner is admitted without the consent of the old partner.	<p>A. Partnership will be dissolved</p> <p>B. Will value</p> <p>C. Agreed value</p> <p>D. None of these</p>
8	When the incoming partner pays the firm for good will in cash the amount should be debited to firm's books to.	<p>A. Good will accounts</p> <p>B. Cash Account</p> <p>C. Capital account of the incoming partner</p> <p>D. All of the above</p>
9	Good will is	<p>A. Expense</p> <p>B. Profit</p> <p>C. Assets</p> <p>D. Liability</p>
10	If the good will raised at the time of admission of a new partner will be written off in.	<p>A. Old profit sharing ratios</p> <p>B. Capitals ratios</p> <p>C. New profit - Old ratios</p> <p>D. Sacrificing ratios</p>
11	A new partner may be admitted to a partnership.	<p>A. With the consent of all the partners</p> <p>B. With the consent of any one of the partners</p> <p>C. With consent of two third the old partners</p> <p>D. Without the consent of old partners</p>
12	Good will is.	<p>A. Tangible asset</p> <p>B. Intangible asset</p> <p>C. Wasting assets</p> <p>D. Frictional assets</p>
13	Sacrificing ratios are equal to.	<p>A. Capital Ratios- New ratios</p> <p>B. Old ratios - New ratios</p> <p>C. New ratio - old ratios</p> <p>D. None of these</p>
14	Revaluation account is a.	<p>A. Real account</p> <p>B. Personal account</p>

		<p>C. Cash account</p> <p>D. Nominal account</p>
15	Revaluation loss should be debited to.	<p>A. Revaluation account</p> <p>B. All partners capital account</p> <p>C. Old partners capital accounts</p> <p>D. New partners capital account</p>
16	Old profit sharing ratio minus new profit sharing ratio is equal for.	<p>A. Sacrificing ratios</p> <p>B. Gaining ratios</p> <p>C. Distributing ratios</p> <p>D. None of these</p>
17	On the admission of a new partner the increase in the value of assets is debited	<p>A. Revaluation account</p> <p>B. Assets account</p> <p>C. Old partners capital account</p> <p>D. New partners capital account</p>
18	The amount of good will brought in cash by new partner will be credited to old partner in.	<p>A. Gaining Ratio</p> <p>B. New Ratio</p> <p>C. Old Ratio</p> <p>D. Sacrifice Ratio</p>
19	The balance of revaluation account is transferred to the old partners capital accounts in their.	<p>A. Sacrificing ratio</p> <p>B. Old profit sharing ratio</p> <p>C. New profit sharing ratio</p> <p>D. Equal profit sharing ratio</p>
20	General reserve at the time of admission of a new partner is credited.	<p>A. New partner capital account</p> <p>B. General reserve account</p> <p>C. Old partners capital account</p> <p>D. All partners capital account</p>