

NAT IIM Management Science Finance Hard Test

Sr	Questions	Answers Choice
1	Treble column cash book has three columns of:	<p>A. Cash, bank and discount B. Income, expense and bank C. Cash, bank and profit or loss D. None</p>
2	Which ratio tells how many times in a year stock is used up and replaced?	<p>A. Gross profit ratio B. Net profit ratio C. Cost ratio D. None of these</p>
3	The objective of financial accounting is to ascertain:	<p>A. True results of profit B. True results of loss C. True results of profit or loss D. None</p>
4	What are bad debts?	<p>A. Debts which are irrecoverable from the debtors B. Debts which are recoverable from the debtors C. Debts which are irrecoverable from the creditors D. Debts which are recoverable from the creditors</p>
5	Difference in cost of alternative choices is called	<p>A. Total costing B. Differential costing C. Full costing D. Variable costing</p>
6	Purchase Requisition is sent to	<p>A. Accounts department B. Purchase department C. Finance department D. None of above</p>
7	Cash or goods taken away by owner for personal use from business are known as:	<p>A. Capital B. Drawings C. Revenue D. Expense</p>
8	If spoiled goods are considered a normal part of production process than debit to	<p>A. Work in process B. General expense C. F.o.H control D. None of above</p>
9	Work in process opening and closing inventory includes:-	<p>A. Arterial in process B. Labour in process C. F.o.H in process D. All of the above</p>
10	Accounts which are related with properties are known as	<p>A. Real accounts B. Nominal accounts C. Property accounts D. A and C are correct Accounting principles:</p>
11	Debentures are	<p>A. Fixed assets B. Fixed liabilities C. Capital D. Prepaid expenses</p>
12	Goodwill is ----- for company.	<p>A. Intangible asset B. Fixed asset C. Current asset D. Quick asset</p>
13	Which one is not a classification according to the accounting period?	<p>A. Capital expenditure B. Revenue expenditure C. Product cost D. Administrative cost</p>
14	Endorsement is made:	<p>A. For settlement of debts B. For settlement of income C. For settlement of profit D. None</p>

15	During period of rising material prices, ----- method results in profit inflation	A. LIFO B. FIFO C. Weighted average D. All of the above
16	Which one is not accounting convention?	A. Materiality B. Full disclosure C. Consistency D. Going concern
17	The cost flow must watch the	A. Output B. Outflow C. Inflow D. Workflow
18	If applied factory overhead is less than actual factory overhead, it is called	A. Applied F.o.H B. Over applied F.o.H C. Under-applied F.o.H D. None of above
19	Costs whose consumption may be identified with specific production units in called	A. Direct labour cost B. Indirect labour cost C. Direct material cost D. Indirect material cost
20	Name the main accounts which are prepared in accounting?	A. Assets, liabilities, income and expenses B. Assets, liabilities, income and revenue C. Assets, owner's equity, income and expenses D. Assets, liabilities and expenses