

NAT IIM Management Science Finance Hard Test

Sr	Questions	Answers Choice
1	According to possible for an event or transaction which is not measurable in terms of money	A. True B. False C. May be D. None
2	Depreciation is a loss due to wear and tear of an asset.	A. Correct B. Inccorrent C. May be D. None
3	How many branches are there in accounting?	A. 1 B. 3 C. 2 D. 4
4	Statement of a affairs is a sort of -----	A. Profit and loss statement B. Nominal account C. Statement of changes in equity D. Balance sheet
5	Cost goods sold is Rs. 1650, gross profit ratio is 17.5% then sales is	A. 1800 B. 1900 C. 2000 D. 2200
6	A credit purchases are:	A. If goods purchased and payment made at the same time B. If goods purchased and payment not made at the same time C. If goods sold and payment receive at the same time D. If goods sold and payment not receive at the same time
7	Which one is not a classification according to the accounting period?	A. Capital expenditure B. Revenue expenditure C. Product cost D. Administrative cost
8	Historical cost which is irrecoverable in a given situation is called	A. Imputed cost B. Standard cost C. Opportunity cost D. Sunk cost
9	In payroll include the remunerations of	A. Direct labour B. Indirect labour C. Both a & b D. None of the above
10	In bill of exchange, the party who accepts a bill is known as:	A. Drawer B. Drawee C. Payee D. Third party
11	Goodwill is ----- for company.	A. Intangible asset B. Fixed asset C. Current asset D. Quick asset
12	Sales prices is calculated as follow:-	A. Cost + operating expense B. Direct material + Direct labour + F.o.H C. Cost + operating expenses + profit D. None of above
13	Good received note is prepared by	A. Purchase department B. Sales department C. Receiving department D. All of the above
14	If spoiled goods are considered a normal part of production process than debit to	A. Work in process B. General expense C. F.o.H control D. None of above

15	The primary objective of cost accounting is to	A. Control cost B. Calculate profit C. Avoid cost D. All of above
16	The cost flow must watch the	A. Output B. Outflow C. Inflow D. Workflow
17	During period of rising material prices, ----- method results in profit inflation	A. LIFO B. FIFO C. Weighted average D. All of the above
18	Trading account shows ----- result.	A. Net B. Gross C. Profit D. Loss
19	The price at which assets will be sold at the end of its useful life is known as:	A. Scrap value B. Residual value C. Written down value D. All of the above
20	Dishonor of the bill occurs when:	A. The drawer refuse to pay B. The acceptor refuses to meet the bill on due date C. The endorsee accepts to meet the bill D. None