

NAT IIM Management Science Finance Hard Test

Sr	Questions	Answers Choice
1	The stages of accounting cycle are	<p>A. Transaction-ledger-journal-trial balance-final accounts</p> <p>B. Transaction-journal-ledger-trial balance-final accounts</p> <p>C. Transaction-journal-trial balance-ledger-final accounts</p> <p>D. Transaction-journal-ledger-final accounts-trial balance</p>
2	Assets which have to no market value are called	<p>A. Fictitious assets</p> <p>B. Liquid assets</p> <p>C. Intangible assets</p> <p>D. Real assets</p>
3	The cost of holding the stock in storage is called	<p>A. Ordering cost</p> <p>B. Material cost</p> <p>C. Caring cost</p> <p>D. All of the above</p>
4	Which one is not a classification according to the accounting period?	<p>A. Capital expenditure</p> <p>B. Revenue expenditure</p> <p>C. Product cost</p> <p>D. Administrative cost</p>
5	Good received note is prepared by	<p>A. Purchase department</p> <p>B. Sales department</p> <p>C. Receiving department</p> <p>D. All of the above</p>
6	Difference in cost of alternative choices is called	<p>A. Total costing</p> <p>B. Differential costing</p> <p>C. Full costing</p> <p>D. Variable costing</p>
7	From the following statements which one is not true about over applied F.o.H	<p>A. Less from cost of goods sold at normal</p> <p>B. Less from entire production if required</p> <p>C. Add in gross profit if required</p> <p>D. Less from Net profit.</p>
8	If spoiled goods are considered a normal part of production process than debit to	<p>A. Work in process</p> <p>B. General expense</p> <p>C. F.o.H control</p> <p>D. None of above</p>
9	Which one is not accounting convention?	<p>A. Materiality</p> <p>B. Full disclosure</p> <p>C. Consistency</p> <p>D. Going concern</p>
10	What are bad debts?	<p>A. Debts which are irrecoverable from the debtors</p> <p>B. Debts which are recoverable from the debtors</p> <p>C. Debts which are irrecoverable from the creditors</p> <p>D. Debts which are recoverable from the creditors</p>
11	Historical cost which is irrecoverable in a given situation is called	<p>A. Imputed cost</p> <p>B. Standard cost</p> <p>C. Opportunity cost</p> <p>D. Sunk cost</p>
12	According to possible for an event or transaction which is not measurable in terms of money	<p>A. True</p> <p>B. False</p> <p>C. May be</p> <p>D. None</p>
13	The price at which assets will be sold at the end of its useful life is known as:	<p>A. Scrap value</p> <p>B. Residual value</p> <p>C. Written down value</p> <p>D. All of the above</p>

14	Debentures are	A. Fixed assets B. Fixed liabilities C. Capital D. Prepaid expenses
15	A----- is an account in which those transaction are entered which cannot be placed to their accounts	A. Nominal account B. Suspense account C. Personal account D. Debtor account
16	Goodwill is ----- for company.	A. Intangible asset B. Fixed asset C. Current asset D. Quick asset
17	Cash or goods taken away by owner for personal use from business are known as:	A. Capital B. Drawings C. Revenue D. Expense
18	In bill of exchange, the party who accepts a bill is known as:	A. Drawer B. Drawee C. Payee D. Third party
19	Realisation concept is the concept in which revenue is ----- at the time when goods are sold or services rendered.	A. Recognized B. Not recognized C. Paid D. Received
20	Cost goods sold is Rs. 1650, gross profit ratio is 17.5% then sales is	A. 1800 B. 1900 C. 2000 D. 2200