

Id	1
Question	Policy maturing only on the death of the insured is termed as:_____.
A	Endowment Policy
B	Whole Life Policy
C	With Profit Policy
D	Without Profit Policy
Answer	B

Id	2
Question	Bonus in reduction of premium appears in the revenue account_____.
A	As an expense
B	As an income
C	As an asset
D	As a liability
Answer	A

Id	3
Question	Under Double Account System, the profit and loss account is termed as_____.
A	Income and Expenditure Account.
B	Profit and Loss Account
C	Revenue Account
D	Balance Sheet
Answer	C

Id	4
Question	Original cost of an asset is Rs. 50, 000. Present cost of its replacement is Rs. 65,000. the amount spent on its replacement it Rs. 76,000. the amount to be capitalized will be_____.
A	Rs. 65,000
B	Rs. 11,000
C	Rs. 76,000
D	Rs. 67,000
Answer	B

Id	5
Question	As per IRDA Regulation, an insurance company is not required to prepare_____.
A	Revenue Account
B	Profit and Loss Account
C	Balance Sheet
D	Receipts and Expenditure on Capital Account
Answer	D

Id	6
Question	An excess over a period of the current value of output sold over and above its current cost is termed as_____.
A	Non- operating income
B	Operating income
C	Gross Profit
D	Net Profit
Answer	B

Id	7
Question	The technique of accounting by which financial statements are restated to reflect changes in the general price level is termed as_____.
A	Human resource Accounting
B	Social Accounting
C	Price Level Accounting
D	Value Added Accounting
Answer	C

Id	8
Question	Factory cost + administrative overhead=_____.
A	Prime Cost
B	Overheads
C	Cost of Production
D	Cost of goods sold
Answer	C

Id	9
Question	The method of regular physical checking of materials throughout the year is known as _____.
A	FIFO
B	LIFO
C	Random checking
D	Continuous Stock taking
Answer	D

Id	10
Question	Payroll sheet is prepared by _____ department.
A	Personnel
B	Payroll
C	Finance
D	Remuneration
Answer	B

Id	11
Question	Computation of overheads absorption rates should be based on _____.
A	Maximum capacity
B	Practical capacity
C	Normal capacity
D	Idle capacity
Answer	C

Id	12
Question	Administration overheads are generally absorbed as a percentage of _____.
A	Direct Materials
B	Direct Wages
C	Prime Cost
D	Works Cost
Answer	D

Id	13
Question	The stage of production at which separate products are identified is known as _____.
A	Spit – off stage
B	By – product
C	Joint product
D	Bifurcating
Answer	A

Id	14
Question	Outstanding salaries are shown as _____.
A	An expenses
B	A liability
C	An asset
D	An income
Answer	B

Id	15
Question	The accumulated losses under scheme of internal reconstruction are written off against _____.
A	Share Capital Account
B	Capital Reduction Account
C	General Reserve Account
D	Profit and Loss Account
Answer	B

Id	16
Question	The replacement cost approach for valuing human resources was developed by _____.
A	Pyle
B	Rensis Linkt
C	David Watson
D	C. K. Prahalad
Answer	B

Id	17
Question	Indian companies are generally following human resource accounting according to model as suggested by _____.
A	Morese
B	Flamholtz
C	Lavand Schwartz
D	Robert Anthony
Answer	C

Id	18
Question	Management audit involves the _____ of a business.
A	Financial audit
B	Accounting
C	Investigation
D	Expenses
Answer	C

Id	19
Question	If the terms of the original authorize the lessee to sub – lease, the lessee may sub – let the whole or a part of his rights available under the original lease to another person who is then called _____.
A	Sub – lessee
B	Sub – lessor
C	Lessee
D	Lessor
Answer	A

Id	20
Question	_____ is the amount charged from the passengers of the ships.
A	Travel Money
B	Passage Money
C	Fare
D	Primage
Answer	B

Id	21
Question	_____ is conducted generally between two annual audit.
A	Internal audit
B	Interim audit
C	Final audit
D	Continuous audit
Answer	B

Id	22
Question	Internal auditor is appointed by _____.
A	The management
B	The shareholders
C	The government
D	He statutory body
Answer	A

Id	23
Question	_____ can be appointed as auditor of a company.
A	A partner or a director of the company
B	A person of unsound mind
C	Mr. Y who owes Rs. 500 to the company
D	Mr. Z the holder of C.A certificate
Answer	D

Id	24
Question	Audit means _____ .
A	Recording business transactions.
B	Preparing the final accounts
C	Examination of books, accounts, vouchers etc
D	Preparing final accounts
Answer	C

Id	25
Question	The main object of an audit is _____.
A	Expression of opinion
B	Detection and prevention of fraud and error
C	Both (a) and (b)
D	Depends on the type of audit
Answer	D

Id	26
Question	A sale of Rs. 50,000 to A was entered as a sale to B. this is an example of _____.
A	Error of omission
B	Error of commission
C	Compensating error
D	Error of principle
Answer	B

Id	27
Question	Which of the following factors likely to be identified as a fraud factor by the auditor?
A	The company is planning a initial public offer of quality shares to raise additional capital for expansion
B	Bank reconciliation statement includes deposits in transit.
C	Plant and machinery is sold at a loss.
D	The company has made political contributions
Answer	A

Id	28
Question	Concurrent audit is a part of _____.
A	Internal check system
B	Continuous audit
C	Internal audit system
D	None
Answer	A

Id	29
Question	The Delhi Government had constructed six bungalows for its ministers. They are lying unoccupied for last three years. This would be matter of concern for _____.
A	Propriety Auditor
B	Performance auditor
C	Financial Auditor
D	None of the above
Answer	D

Id	30
Question	Which of the following is not an analytical procedure?
A	Tracing of purchases recurred in the purchase book to purchase invoices.
B	Comparing aggregate wages paid to number of employees
C	Comparing the actual costs with standard costs
D	All of them are analytical procedure
Answer	A

Id	31
Question	Life Insurance Corporation of India holds twenty five percent of subscribed capital of XYZ Ltd. The appointment of statutory auditor in XYZ Ltd. Would be by_____.
A	Ordinary resolution
B	Special resolution
C	(a) or (b)
D	None of the above
Answer	B

Id	32
Question	In case of unclaimed wages, the auditor should examine whether_____.
A	The amount has been deposited in a separate bank account
B	Deposited with the cashier
C	Held in a safe deposit box
D	All of these
Answer	A

Id	33
Question	Cost estimation include (s) the _____expenditure(s).
A	Pattern making
B	Tool making
C	Selling expenses
D	All of the above
Answer	D

Id	34
Question	Expenditure incurred on material, labour, machinery, production and inspection are summed up to find the _____.
A	Total cost of product
B	Selling price of product
C	Factory cost of product
D	None of the above
Answer	C

Id	35
Question	The method of unit costing is adopted by _____.
A	Transport services
B	Steel industry
C	Mines
D	Bicycle industry
Answer	C

Id	36
Question	The following is cost of indirect materials _____.
A	Lubricating oil
B	Octroi
C	Import duties
D	Insurance
Answer	A

Id	37
Question	Cost of preparing drawings for the manufacture of a particular product is_____.
A	Cost of direct labour
B	Cost of indirect labour
C	Direct expenses
D	Indirect expenses
Answer	C

Id	38
Question	When short – workings are to be recovered, the account to be debited is_____.
A	Landlord Account
B	Short – workings Account
C	Profit and Loss Account
D	Lessee Account
Answer	A

Id	39
Question	Royalty payable is debited to _____ by lessee.
A	Royalty account
B	Land lord account
C	P&L account
D	Trading account
Answer	A

Id	40
Question	_____ costing is applicable to printers.
A	Process
B	Batch
C	Multiple
D	Job
Answer	D

Id	41
Question	If beginning work in process equivalent units are 2500units, work done in current period equivalent units are 3800 units and ending work in process equivalent units are 5000, then complete equivalent units in current period are _____.
A	1800 units
B	1500 units
C	1300 units
D	1600 units
Answer	C

Id	42
Question	A unit cost calculated in costing system, by assigning total costs incurred to many similar units is categorized as _____.
A	Accounting period costing system
B	Process costing system
C	Job costing system
D	None of above
Answer	B

Id	43
Question	A company has issued capital of 10,000 equity shares of Rs. 10 each fully paid. It decides to convert its capital into 20,000 equity shares of Rs. 5 each. It is case of _____.
A	Consolidation of share capital
B	Sub – division of share capital
C	Decrease in unissued share capital
D	Reduction in Creditors
Answer	B

Id	44
Question	A store ledger card is similar to the _____.
A	Stock ledger
B	Bin card
C	Material card
D	Purchase requisition card
Answer	B

Id	45
Question	_____ must be taken into account while calculating total earnings of a worker under different incentive wage schemes.
A	Rate per unit
B	Units of production
C	Extra time taken by employee to complete the production
D	Number of workers employed
Answer	B

Id	46
Question	The journal entry of purchase of stock under periodic inventory system would be _____ .
A	Inventory to Cash
B	Cash to Purchases
C	Purchases to Inventory
D	None of the given options
Answer	D

Id	47
Question	Weighted average cost per unit is calculated by the formula _____.
A	Cost of goods issued / number of units issued
B	Total Cost / Total Units
C	Cost of goods manufactured / closing units
D	Cost of goods sold / total units
Answer	B

Id	48
Question	Buyer produced 20,000 units and their total factory cost was Rs. 450,000, other cost like property tax on factory building was Rs. 10,000 included in that cost till year ended the cost of per unit would be _____.
A	RS. 22.5
B	Rs. 23.5
C	Rs. 24.5
D	Rs.26.5
Answer	A

Id	49
Question	All Indirect cost is charged / record in the head of _____.
A	Prime cost
B	FOH cost
C	Direct labor cost
D	None of the given options
Answer	B

Id	50
Question	Under / Over applied FOH cost can be adjusted in _____.
A	Entire Production
B	Cost of Goods Sold
C	Net Profit
D	All of given options
Answer	D