

FUNDAMENTALS OF FINANCIAL AND COST ACCOUNTING

Time Allowed: 1 hour

Full Marks: 100 (2×50)

Choose the correct option from the given four alternatives:

51. _____ is used by accountants for recording transactions chronologically in the first place.

- (A) Invoice
- (B) Challan
- (C) Journal
- (D) Ledger

52. Identify the correct sequential order of the stages of accounting cycle:

- I. Recording in Journal
 - II. Posting in Ledger
 - III. Passing of adjustment entries
 - IV. Drafting of Adjusted Trial Balance
 - V. Identification of transactions
- (A) I, V, II, III, IV
 - (B) V, I, II, IV, III
 - (C) I, II, V, III, IV
 - (D) V, I, II, III, IV

53. The ledger that records all transactions relating to incomes and expenses is called

- (A) Personal ledger
- (B) General ledger
- (C) Nominal ledger
- (D) Private ledger

54. An invoice received from Computech Ltd. towards annual maintenance fee of office computers would result in

- (A) Capital expenditure
- (B) Revenue expenditure
- (C) Deferred revenue expenditure
- (D) Prepaid expenses

55. Financial accounts do not record non-financial transactions because of _____ concept.

- (A) Money measurement
- (B) Business Entity
- (C) Cost
- (D) Accrual

56. Which of the following is not a feature of Bank Reconciliation Statement?

- (A) It is an account.
- (B) It is not a part of double entry book-keeping system.
- (C) It is prepared for a particular day, not for a period.
- (D) It is prepared by an entity having Bank Account.

57. Awareness about various authorities like RBI, SEBI, TRAI etc. and their pronouncement come by an organisation while undertaking its accounting activities come under _____ framework.

- (A) Legal
- (B) Institutional
- (C) Regulatory
- (D) Conceptual

58. Which is recorded in the debit side of Cash Book?

- (A) Trade discount received
- (B) Trade discount allowed
- (C) Cash discount received
- (D) Cash discount allowed

59. Goods worth ₹14,000 returned by Mrs. Richa was wrongly passed through the Sales Day Book. This error remained unidentified, resulting in

- (A) increase in Gross Profit.
- (B) decrease in Gross Profit.
- (C) decrease in Net Profit.
- (D) no change in Gross Profit.

60. Which of the following is not true for Adjustment Entries?

- (A) These are special type of journal entries.
- (B) These are recorded in the Journal Proper.
- (C) These are passed at the beginning of an accounting period.
- (D) There are no source documents related to such entries.

61. Depreciation Account of a profit-oriented organisation is closed at the end of the accounting period by transfer to

- (A) Income & Expenditure A/c.
- (B) Profit & Loss A/c .
- (C) Fixed Asset A/c.
- (D) Provision for Depreciation A/c.

62. Provision for Discount on Debtors is calculated on the balance of Sundry Debtors

- (A) after adjusting Bad debts and Discount Allowed.
- (B) after adjusting Bad debts and Provision for Doubtful Debts.
- (C) after adjusting Bad debts, Discount Allowed and Provision for Doubtful Debts.
- (D) after adjusting Bad debts, Discount Allowed and Provision for Discount Allowed.

63. The party who sends goods to its agent for sale of goods is called

- (A) Coventurer
- (B) Consignor
- (C) Consignee
- (D) Partner

64. Consignment Debtors Account is maintained in the books of consignee when _____ is paid by consignor to consignee.

- (A) Royalty
- (B) Ordinary commission
- (C) Special commission
- (D) Del credere commission

65. C of Cuttack sent out 1,000 rock-cut statues to N of Nagpur costing ₹800 per statue at an invoice price of ₹1,000 each. C incurred ₹10,000 for sending the goods. N sold 900 statues and incurred selling expenses ₹9,000. At what value of unsold Consignment Stock will get reflected in Consignment Account?

- (A) ₹80,000
- (B) ₹81,000
- (C) ₹8,00,000
- (D) ₹8,10,000

66. In a joint venture, when separate set of books are maintained, the ledger accounts usually opened are

- (A) Joint Venture Account and Joint Bank Account.
- (B) Joint Venture Account and Coventurers' Accounts.
- (C) Joint Venture Account, Joint Bank Account and Coventurers' Accounts.
- (D) Memorandum Joint Venture Account and Joint Venture with Coventurer Account.

67. A and B enter into a joint venture to sell mobile chargers. A purchased goods costing ₹85,000 and B sold goods costing ₹80,000 at ₹1,00,000. The balance of the goods were taken over by A at the same profit percentage as in case of sale. The value of goods taken over by A is

- (A) ₹6,250
- (B) ₹5,000
- (C) ₹15,000
- (D) ₹20,000

68. In the event of dishonour of an endorsed bill, which of the following account will be credited in the books of the Drawee?

- (A) Bills Payable A/c
- (B) Drawer's A/c
- (C) Endorsee's A/c
- (D) Bank A/c

69. The journal entry for transferring Gross Profit involves debiting _____ and crediting _____.

- (A) Trading A/c; Capital A/c
- (B) Trading A/c; Profit & Loss A/c
- (C) Profit & Loss A/c; Trading A/c
- (D) Trading A/c; Manufacturing A/c

70. In the financial statements of a sole-proprietorship organisation, Interest Received appears in

- (A) credit-side of Trading Account.
- (B) credit-side of Profit & Loss Account.
- (C) debit-side of Profit & Loss Account.
- (D) liabilities-side of Balance Sheet.

71. Trademarks are categorized as

- (A) Fictitious assets
- (B) Intangible assets
- (C) Contingent assets
- (D) Non-current assets

72. Which of the following is not an approach of marshalling the Balance Sheet?

- (A) Rigidity order
- (B) Liquidity order
- (C) Mixed order
- (D) Flexibility order

73. In the Balance Sheet of an organisation, 'Bills Receivable' appears under

- (A) Non-current assets.
- (B) Current assets.
- (C) Investments.
- (D) Equity.

74. If a business entity wants to earn a 20% profit on sales, what will be the profit mark up on the cost?

- (A) 25%
- (B) 33.33%
- (C) 20%
- (D) 16.67%

75. Goods returns' appearing in the credit column of Trial Balance implies

- (A) Sales returns.
- (B) Bills returns.
- (C) Purchase returns.
- (D) Returns inwards.

76. Consider the following statements:

Statement 1: Receipts & Payments Account records transactions of both capital and revenue nature.

Statement 2: In Receipts & Payments Account only cash transactions get recorded.

- (A) Only statement 1 is true.
- (B) Only statement 2 is true.
- (C) Both statements are true.
- (D) Both statements are false.

77. Honorarium paid to artists for performance at the annual function of a social club is recorded in

- (A) Receipts & Payments Account only.
- (B) Income & Expenditure Account only.
- (C) Receipts & Payments Account and Balance Sheet.
- (D) Receipts & Payments Account and Income & Expenditure Account.

78. Entrance Fees received by Sewda Sports Club of Mumbai during the year 2025-26 is ₹40,00,000 of which 40% has been decided to be capitalised by the club's authorities. In this case, identify the correct option:

Statement I: ₹40,00,000 will be recorded as receipts in Receipts & Payments Account.

Statement II: ₹40,00,000 will be credited to Income & Expenditure Account.

Statement III: ₹16,00,000 will be added to Capital Fund in the Balance Sheet.

- (A) Only III is true.
- (B) Both I and III are true.
- (C) Both II and III are true.
- (D) All statements are true.

79. Gross profit is the difference between
- (A) sales and cost of goods sold.
 - (B) sales and operating expenses.
 - (C) sales and non-operating expenses.
 - (D) sales and purchase.

80. Mohan sold goods on 1st September 2025 for ₹2,00,000 to Monu. Monu immediately accepted a 3-month bill. On the due date Monu requested for the renewal of the bill for a further period of two months. Mohan agrees to interest @ 9% per annum to be included in the new bill. Determine the amount of the new bill.

- (A) ₹2,00,000
- (B) ₹2,03,000
- (C) ₹2,18,000
- (D) ₹1,97,000

81. Opening capital is ₹6,00,000 and Closing capital is ₹8,00,000. If during the year, additional capital introduced and drawings are ₹1,00,000 and ₹60,000 respectively then the amount of profit will be

- (A) ₹2,00,000
- (B) ₹2,60,000
- (C) ₹1,60,000
- (D) ₹2,40,000

82. Given:

Opening Sundry Creditors ₹19,000

Cash paid to Sundry Creditors ₹46,000

Discount received ₹1,000

Return outward ₹4,800

Credit purchase ₹55,200

On the basis of above, the value of Sundry Creditors at the end of the year will be

- (A) ₹24,400
- (B) ₹25,400
- (C) ₹23,400
- (D) ₹22,400

83. Purchase price of Machine ₹8,90,000; Freight and Cartage ₹17,000; Installation charges ₹30,000; Annual insurance charges ₹30,000; Residual value is ₹40,000; estimated useful life 5 years. The amount of annual depreciation under straight line method will be

- (A) ₹1,81,400
- (B) ₹1,79,400
- (C) ₹1,97,400
- (D) ₹1,77,900

84. M/s. XY Agencies has bank balance ₹10,800 as per cash book and the followings were found:

- (i) Five cheques deposited in bank for ₹7,800 but only two cheques for ₹2,000 was cleared.
- (ii) Dividend collected by Bank ₹1,250 was wrongly entered in cash book as ₹1,520.

What is balance as per passbook?

- (A) ₹ 3,480
- (B) ₹ 4,730
- (C) ₹ 2,730
- (D) ₹ 3,750

85. Laptops held for sale are

- (A) included in fixed assets.
- (B) treated as investment.
- (C) included in Intangible fixed assets.
- (D) treated as current asset.

86. Which of the following is not a component of Cost of Sales in a Cost Sheet?

- (A) Prime cost
- (B) Factory cost
- (C) Cost of Production
- (D) Financing cost

87. The main purpose of cost accounting is to

- (A) maximise profits.
- (B) aid in fixation of selling price.
- (C) provide information to management for decision making.
- (D) prepare financial statements.

88. Costs are classified into Materials cost, Employee cost and Expenses under the classification by _____.

- (A) Nature of expense
- (B) Behavioural
- (C) Functional
- (D) Controllability-wise

89. Cost Accounting Standard(CAS)-3 deals with

- (A) Cost of Utilities
- (B) Material cost
- (C) Administration Overheads
- (D) Production and Operation Overheads

90. Which of the following method of costing is appropriate for toy making industry?

- (A) Operating Costing
- (B) Job Costing
- (C) Process Costing
- (D) Batch Costing

91. _____ is the adoption of identical costing principles and procedures by several units of the same industry or several undertakings by mutual agreement.
- (A) Standard costing
(B) Historical costing
(C) Uniform costing
(D) Marginal costing
92. Which of the following is/are example(s) of Operating Cost Centres?
- (A) Machine shop
(B) Welding shop
(C) Assembly shop
(D) All of the above
93. From the following data, ascertain the amount of Cost of Goods Sold:
Cost of Sales ₹1,87,080; Advertisement ₹3,000; Commission to Salesmen = 50% of Advertisement.
- (A) ₹1,82,850
(B) ₹1,82,580
(C) ₹1,88,580
(D) ₹1,91,580
94. The term 'CASB' stands for
- (A) Cost Accounting Standards Board.
(B) Cost Accounting Selection Board.
(C) Cost Accounting Setting Board.
(D) Cost Accounting Sampling Board.
95. Which of the following is the appropriate cost unit for cement industries?
- (A) Megawatt
(B) Chargeable Hour
(C) Cubic Feet
(D) Metric Tonne
96. Cost of Loose Tools is a part of
- (A) Prime cost.
(B) Factory cost.
(C) Chargeable expenses.
(D) Distribution overheads.
97. Which of the following is an example of Composite Cost Unit?
- (A) Metric Tonne
(B) Number of pieces
(C) Room Day
(D) Chargeable Hours
98. Given:
Purchase of Raw Materials ₹28,000;
Closing Stock of Raw Material ₹4,500 and
Opening Stock of Raw Material ₹3,000.
The amount of raw material consumed will be
- (A) ₹26, 500
(B) ₹28,000
(C) ₹29,500
(D) ₹31,000

99. In general, Costing is a technique and process of —

- (A) Recording of Cost transactions
- (B) Ascertaining Cost
- (C) Preparation of final accounts
- (D) Decision making

100. Cost of free samples and gifts are included in

- (A) Prime Cost.
- (B) Factory Overhead.
- (C) Office and Administrative Overheads.
- (D) Selling & Distribution Overheads.