MULTIPLE CHOICE QUESTONS

Second Semester M.Com (School of Distance Education)

ADVANCED CORPORATE ACCOUNTING

1.	Amalgamation may be resorted to					
	a. To obtain economies of scale	b. To avoid competition				
	c. To avail tax advantage	d. All the above				
2.	Acquisition by a steel company of an iro	on ore mine is an example of				
	b. Horizontal integration	b. Backward integration				
	c. Forward integration	d. None of the above				
3.	Except for fractional shares, purchase cacquiree in shares of acquirer when am a. Purchase	consideration is paid to willing share holders of nalgamation is in the nature of b. Merger				
	c. Internal reconstruction	d. External reconstruction				
4.	If the acquirer revalues the assets of ac	quiree on amalgamation, it is a case of				
	a. Purchase	b. Merger				
	c. Pooling of interest	d. All the above				
5.	A new company is formed to take over	the assets and liabilities of old company in the case of				
	a. Amalgamation	b. Absorption				
	c. Internal reconstruction	d. External reconstruction				
6.	No liquidation or formation takes place	in the case of				
	a. External reconstruction	b. Amalgamation				
	c. Internal reconstruction	d. Take over				
7.	Full information regarding different for consideration is determined under	ms of payment are stated when purchase				
	a. Net asset method	b. Intrinsic value method				
	c. Net payment method	d. Lump sum payment method				
8.	Intention of the acquirer to carry on the	e business of acquiree is a necessary condition in				
	a. Merger	b. Purchase				



	c. Reconstruction	c. All the above
9.	Full information regarding value of asset purchase consideration is determined to	ets taken over and liabilities assumed is given when under
	a. Net payment method	b. Net asset method
	c. Lump sum payment method	d. Intrinsic value method
10.	Amount of purchase consideration is th	ne payment made to
	a. Share holders of the acquiree	b. Equity holders and debenture holders of acquiree
	c. Creditors of the acquiree	d. All the above
11.	A realisation account is prepared in the	books of
	a. Transferee company	b. Transferor company
	c. Sole trader	d. Partnership firm
12.	Assets taken over by transferee compa	ny arein realisation account.
	a. Credited	b. Debited
	c. Neither debited nor credited	d. None of the above
13.	Assets taken over are transferred to rea	alisation account at
	a. Book value	b. Agreed value
	c. Original cost	c. None of the above
14.	Liabilities assumed by transferee are	in realisation account.
	a. Credited	b. Debited
	c. Neither credited nor debited	d. None of the above
15.	Liabilities undertaken by transferee are	transferred to realisation account at
	a. Book value	b. Agreed value
	c. Actual amount paid	d. None of the above
16.	Purchase consideration received from tr	ansferee are in realisation account.
	a. Credited	b. Debited
	c. Neither credited nor debited	d. None of the above
17.	AS 14 deals with	
	a. Liquidation of companies	b. Depreciation



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	c. Inventories	d. Amalgamation of companies	
18.	Sections 390 to 396 of the Companies A	ct pertain to	
	a. Liquidation of companies	b. Alteration of share capital	
	c. Internal reconstruction	d. Amalgamation of companies	
19.	Any payment to preference share holde	ers in excess of paid up value of preference shares is	
	debited toaccount.		
	a. Capital A/C	b. Preference share holders' A/C	
	c. Realisation A/C	d. Securities premium A/C	
20.	Profit on acquisition of business is cred	ited to	
	a. Goodwill	b. Cost of control	
	c. Capital reserve	d. Revenue reserve	
21.	Loss on amalgamation is debited to	A/C by the transferee company.	
	b. Surplus A/C		
	c. Revenue reserves	d. None of the above	
22.	Pooling of interest method is applied in	the case of	
	a. Amalgamation in the nature of purch	nase b. External reconstruction	
	c. Amalgamation in the nature of merg	er d. Internal reconstruction	
23.	Share holders who refuse to sell their samalgamation are known as	hares to the transferee company under the terms of	
	a. Assenting share holders	b. Dissenting share holders	
	c. Contributories	d. Minority share holders	
24		u. Willottey share holders	
24. Intercompany holding meansa. Transferee holding shares in transferorb. Transferor hold shares in transferor			
	c. Both (a) and (b) simultaneously	d. All the above	
25.	Transferee company holding debenture		
23.	a. Intercompany holding	b. Intercompany trading	
	c. Intercompany owing	d. All the above	
26.	An enterprise controlled by another en		



	a. Parent	b. Subsidiary
	c. Group company	d. None of the above
27.	A company holding majority shares in a	another company is called
	a. Holding Company/Parent	b. Subsidiary
	c. Transferee	d. None of the above
28.	AS -21 deals with	
	a. Amalgamation	b. Cash flow statement
	c. Consolidated financial statements	d. Accounting for price level changes
29.	In a wholly owned subsidiary, the pare	nt company holds shares.
	a. 100%	b. 90%
	c. 80%	d. More than 50%
30.	The claim of share holders other than h	nolding company in the ownership of subsidiary is
	a. Controlling interest	b. Non controlling interest
	c. Majority interest	d. None of the above
31.	Excess amount paid for acquiring contr	rolling interest in subsidiary is called
	a. Cost of equity	b. Cost of control
	c. Both (a) and (b)	d. All the above
32.	Profit earned by subsidiary up to the d	ate of acquisition by parent is counted as
	a. Revenue profit	b. Capital profit
	c. Profit prior to incorporation	d. None of the above
33.	should be considered whil	e calculating cost of control/capital reserve
	a. Paid up value of shares acquired	b. Capital profit
	c. Capital loss not amortised	d. All the above
34.	Profit earned after the date of acquisit	ion is
	a. Revenue profit	b. Capital profit
	c. Current profit	d. None of the above
35.	On consolidation, goodwill in the Balar	ice sheet of subsidiary can be



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	a. Added with goodwill of parent	b. Adjusted in capital reserve of parent			
	c. Either (a) or (b)	d. None of the above			
36.	On consolidation, the profit on revalua	tion of fixed assets is treated as			
	a. Revenue profit	b. Capital profit			
	c. Both (a) and (b)	d. None of the above			
37.	Claim of holding company in subsidiary	ris			
	a. Controlling interest	b. Non-controlling interest			
	c. Minority interest	d. None of the above			
38.	Bonus shares issued by subsidiary out of	of pre-acquisition profits will			
	a. Increase capital reserve	b. Decrease capital reserve			
	c. Either (a) or (b)	d. Neither (a) nor (b)			
39.	Dividend declared out of pre-acquisitio	n profits will			
	a. Increase capital reserve	b. Decrease goodwill			
	c. Either (a) or (b)	d. Neither (a) nor (b)			
40.	While consolidating balance sheets, div	vidend out of post acquisition profits should be			
	a. Deducted from investments	b. Included in Surplus			
	c. Added to capital reserve	d. None of the above			
41.	While consolidating balance sheets, int	er-company owing for purchases should be			
	a. Deducted from total of trade receiva	bles b. Deducted from total of trade payables			
	c. Both (a) and (b)	d. Either (a) or (b)			
42.	While consolidating balance sheets, int	er-company owing for debentures should be			
	a. Adjusted in cost of control	b. Deducted from paid up value of debentures			
	c. Deducted from investments	d. Both (b) and (c)			
43.	On consolidation, unrealised profit in s	tock should be			
	a. Deducted from stock	b. Deducted from surplus account			
	c. Both (a) and (b)	d. Either (a) or (b)			
44.	Amount of unrealised profit in Rs. 5000 cost by parent is	00 stock with subsidiary, sold at a profit of 25% on			



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	a. Rs. 8000	b. Rs. 12500		
	c. Rs.10000	d. None of the above		
45.	Amount of unrealised profit in stock co by parent to subsidiary is	sting Rs. 30000, sold at a profit of 25% on selling price		
	a. Rs. 7500	b. Rs. 6000		
	c. Rs.10000	d. None of the above		
46.	Minority interest includes			
	a. Paid up value of minority shares	b. Share of capital profit		
	c. Share of revenue profit	d. All the above		
47.	Interim dividend is the dividend declare	ed		
	a. In the annual general meeting	b. Between two annual general meetings		
	c. Both (a) and (b)	d. None of the above		
48.	On consolidating balance sheets, interi	m dividend received from subsidiary is assumed to be		
	a. for the first half of current year	b. For the previous year		
	c. For the entire current year	d. None of the above		
49.	On consolidating balance sheets, propo	osed dividend in the balance sheet of subsidiary is		
	a. Added to surplus account of holding	company b. Added to minority interest		
	c. Not considered	d. Both (a) and (b)		
50.	While calculating capital reserve /good	will, the share of revenue profit from subsidiary is		
	a. Added to paid up value of shares	b. Deducted from investments		
	c. Included in capital profit	d. Not considered		
51.	Liquidator's final statement of account a. Only in case of members voluntary w	• •		
	winding up c. In all modes	of winding up d. None of the above.		
52.	Debentures having a floating charge or			
	a. Secured creditors	b. Unsecured creditors		
	c. Preferential creditors	d. None of the above		
53.		solvent, the interest on debentures is paid upto the		
	date of	h Dalance shoot was well as date		
	a. Commencement of winding			
	c. Payment to debentures	d. None of the above		



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54.	Amount due to the government	•	_	-	OT
	a. Preferential creditors		ecured credito		
	c. Secured creditor	d. Nor	e of the above	9	
55.	List H shows account				
	a. A list contributories		t contributorie	es .	
	c. Deficiency or surplus	d. Sec	ured creditors		
56.	The extra amount charged by a	shipping comp	any as a percei	ntage of f	freight is termed as
	a. Brokerage b. Com	mission c. Prin	nage d. Va	alue addit	tion
57.	The cash book usually maintain	ed by the farme	er is		
	a. Petty cash book	b. Two column	cash book		
	c. Analytical cash book		d. All of thes	e	
58.	In farm accounting crops are va	lue at			
	a. Market price	b. Cost price	c. Economic	value	d. Capitalised value
59.	Grain consumed by livestock wi	ll figure			
	a. In the live stock acco	unt	b. In	the crop	account
	c. Both in the live stock	and crop accou	ınt d. No	one of the	e above
60.	Live stock in the case of mixed f	arming is			
	a. A fixed asset	b. A current as	set		
	c. A wasting asset	d. A tangible a	sset		
61.	In farming accounting, the outp	ut used by owr	er's family sho	uld be tr	eated as
	a. Income b. Expe	nditure c. Abn	ormal loss	d. No	rmal loss
62.	Losses due to natural calamitie	s should be tre	ated as		
	a. Normal loss b. Busir	ness loss c. Abn	ormal loss	d. No	ne of these
63.	The work done by the family me	embers of the f	armer should k	e treate	d as
	a. Free work	b. Labour like			
	c. Drawings	d. None of the	se		
64.	In farm accounting, closing stoc	k should be val	ued at		
	a. Cost price	b. Market pric	е		
	c. Cost price or market	orice whicheve	r is less	d. No	ne of these
65.	The expenditure incurred on fue	el oil, diesel, co	al and fresh wa	ater used	during voyage is
	known as				
	a. Port charges b. Steve	edoring charges	c. Bunker cos	st d. Ad	dress commission
66.	The expenses incurred in loadin	g of goods on	the ship and u	nloading	of goods from the
	ships are known as				
	a. Port charges b. Steve	edoring charges	c. Bunker cos	st d. Ad	dress commission
67.	Fare collected from the passeng	gers travelled in	addition to th	e fare co	llected for
	merchandise is called				
	a. Primage b. Frieg	ht c. Pass	age money	d. Bu	nker cost
68.	The farm output consumed by	the proprietor	is debited to	acco	ount
	a. Drawings b. Crop	c. Wa	ges d. Sa	les	
69.	The farm output consumed by t	he proprietor i	s credited to	accou	unt
	a. Drawings b. Crop				
70.	The farm produce consumed by	-			ount should be
	debited to account		0		
	a. Drawings b. Crop	c. Wa	ges d. Sa	les	



71.	The farm produce con credited to accoun		labourers worki	ng in the farm a	account should be
	a. Drawings		c Wages	d. Sales	
72	Grain consumed by the	•	c. Wages		
12.	a. Live stock		• •	oth a and b	d. None of these
72	The Accounting Standa	•			u. None of these
/3.	a. 1964	b. 1975	c. 1977	d. 1980	
71					
74.	International Accounti a. 1962	b. 1973	c. 1975	d. 1980	
75					licios is basad an
75.	As per the Indian Acco a. AS1	b. AS2	c. AS3	d. AS5	licies is based on
7.0					vidadia
76.	As per the Indian Acco	_			videa in
77	a. AS1	b. AS2	c. AS3	d. AS5	امسط
//.	Cash Flow Statement is				aaru
70	a. AS1	b. AS2	c. AS3	d. AS5	
/8.	Depreciation Accounting				ra
70	a. AS 4	b. AS 5	c. AS 10	d. AS 6	. The date of the sale
79.	The excess of the repla			ary asset sold o	in the date of its sale
	over its historical cost			مندح ما ام	a Danlinad
			b. Unrealise	a nolaing gain	c. Realised
00	holding loss		d holding loss	<u> </u>	
80.			of a non- monet	ary asset sold of	n the date of its sale over
	its historical cost is kno		G C		
	a. Realised hol			d holding gain	
	c. Realised hole	_		d holding loss	
81.	The book used for reco	-		arm and farm ho	ousehold is
	a. Loan registe	A.,	ock register		
	•	- , (egister for notio		
82.	gives the names a	and number ar	nd value of shar	es held by vario	us preference
	shareholders.	4			
	a. List B			d. List G	
83.	gives the list of pr				
	a. List C	b. List D	c. List H	d. List G	
84.	list gives a comple			cifically pledged	d in favour of fully
	secured and partly sec				
	a. List B	b. List D	c. List F	d. List G	
85.	list gives the nam	_			
	a. List F	b. List G	c. List H	d. List A	
86.	Which of the following				for sale and the
	preparation and disclo		-	ns?	
	a. IFRS 3	b. IFRS4	c. IFRS 5	d. IFRS6	
87.				ts for the prepa	ration and presentation
	of consolidated financi				
	a. IFRS 10	b. IFRS 11	c. IF	RS12	d. IFRS1

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Answers

Question	Answer	Question	Answer	Question	Answer	Question	Answer
No.		No.		No.		No.	
1	D	26	В	51	С	76	В
2.	В	27	Α	52	В	77	С
3.	В	28	С	53	С	78	D
4.	Α	29	Α	54	В	79	Α
5.	D	30	В	55	С	80	В
6.	С	31	В	56	С	81	D
7.	С	32	В	57	С	82	С
8.	Α	33	D	58	Α	83	Α
9.	В	34	Α	59	С	84	Α
10.	Α	35	С	60	В	85	В
11.	В	36	В	61	С	86	С
12.	В	37	Α	62	С	87	Α
13.	Α	38	D	63	В		
14.	Α	39	D	64	С		
15	Α	40	В	65	С		
16.	Α	41	C (66	В		
17.	D	42	D, O	67	С		
18.	D	43	C	68	Α		
19.	С	44 .	SC	69	В		
20.	С	45	С	70	С		
21.	Α	46	D	71	В		
22.	С	47	В	72	С		
23.	В	48	С	73	С		
24.	D	49	D	74	В		
25.	С	50	D	75	Α		