

## MULTIPLE CHOICE QUESTIONS

### 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 iron ore mine is an example of
  - a. Horizontal integration
  - b. Backward integration
  - c. Forward integration
  - d. None of the above
3. Except for fractional shares, purchase consideration is paid to willing share holders of acquiree in shares of acquirer when amalgamation is in the nature of
  - a. Purchase
  - b. Merger
  - c. Internal reconstruction
  - d. External reconstruction
4. If the acquirer revalues the assets of acquiree 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 forms of payment are stated when purchase consideration is determined under
  - 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 business of acquiree is a necessary condition in
  - a. Merger
  - b. Purchase



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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 revaluation 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 is  
a. Controlling interest      b. Non-controlling interest  
c. Minority interest      d. None of the above
38. Bonus shares issued by subsidiary out 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-acquisition profits will.....  
a. Increase capital reserve      b. Decrease goodwill  
c. Either (a) or (b)      d. Neither (a) nor (b)
40. While consolidating balance sheets, dividend 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, inter-company owing for purchases should be  
a. Deducted from total of trade receivables      b. Deducted from total of trade payables  
c. Both (a) and (b)      d. Either (a) or (b)
42. While consolidating balance sheets, inter-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 stock 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. 50000 stock with subsidiary, sold at a profit of 25% on cost by parent is

- [illegible]

54. Amount due to the government for purchases of goods is an example of  
a. Preferential creditors      b. Unsecured creditors  
c. Secured creditor      d. None of the above
55. List H shows..... account  
a. A list contributories      b. B list contributories  
c. Deficiency or surplus      d. Secured creditors
56. The extra amount charged by a shipping company as a percentage of freight is termed as.....  
a. Brokerage      b. Commission      c. Primage      d. Value addition
57. The cash book usually maintained by the farmer is  
a. Petty cash book      b. Two column cash book  
c. Analytical cash book      d. All of these
58. In farm accounting crops are value at  
a. Market price      b. Cost price      c. Economic value      d. Capitalised value
59. Grain consumed by livestock will figure  
a. In the live stock account      b. In the crop account  
c. Both in the live stock and crop account      d. None of the above
60. Live stock in the case of mixed farming is  
a. A fixed asset      b. A current asset  
c. A wasting asset      d. A tangible asset
61. In farming accounting, the output used by owner's family should be treated as  
a. Income      b. Expenditure      c. Abnormal loss      d. Normal loss
62. Losses due to natural calamities should be treated as  
a. Normal loss      b. Business loss      c. Abnormal loss      d. None of these
63. The work done by the family members of the farmer should be treated as  
a. Free work      b. Labour like any other workers  
c. Drawings      d. None of these
64. In farm accounting, closing stock should be valued at  
a. Cost price      b. Market price  
c. Cost price or market price whichever is less      d. None of these
65. The expenditure incurred on fuel oil, diesel, coal and fresh water used during voyage is known as  
a. Port charges      b. Stevedoring charges      c. Bunker cost      d. Address commission
66. The expenses incurred in loading of goods on the ship and unloading of goods from the ships are known as  
a. Port charges      b. Stevedoring charges      c. Bunker cost      d. Address commission
67. Fare collected from the passengers travelled in addition to the fare collected for merchandise is called  
a. Primage      b. Frieght      c. Passage money      d. Bunker cost
68. The farm output consumed by the proprietor is debited to ..... account  
a. Drawings      b. Crop      c. Wages      d. Sales
69. The farm output consumed by the proprietor is credited to ..... account  
a. Drawings      b. Crop      c. Wages      d. Sales
70. The farm produce consumed by the labourers working in the farm account should be debited to----- account  
a. Drawings      b. Crop      c. Wages      d. Sales

71. The farm produce consumed by the labourers working in the farm account should be credited to----- account  
a. Drawings      b. Crop      c. Wages      d. Sales
72. Grain consumed by the livestock will appear in..... account  
a. Live stock      b. Crop account      c. Both a and b      d. None of these
73. The Accounting Standards Board was set up in India in the year  
a. 1964      b. 1975      c. 1977      d. 1980
74. International Accounting Standards Committee came into being  
a. 1962      b. 1973      c. 1975      d. 1980
75. As per the Indian Accounting Standard, disclosure of accounting policies is based on  
a. AS1      b. AS2      c. AS3      d. AS5
76. As per the Indian Accounting Standard, valuation of inventory is provided in  
a. AS1      b. AS2      c. AS3      d. AS5
77. Cash Flow Statement is prepared as per the Indian Accounting standard  
a. AS1      b. AS2      c. AS3      d. AS5
78. Depreciation Accounting is based on the Indian Accounting Standard  
a. AS 4      b. AS 5      c. AS 10      d. AS 6
79. The excess of the replacement cost of a non- monetary asset sold on the date of its sale over its historical cost is known as.....  
a. Realised holding gain      b. Unrealised holding gain      c. Realised holding loss      d. Unrealised holding loss
80. The excess of the replacement cost of a non- monetary asset sold on the date of its sale over its historical cost is known as.....  
a. Realised holding gain      b. Unrealised holding gain      c. Realised holding loss      d. Unrealised holding loss
81. The book used for recording transactions between farm and farm household is .....  
a. Loan register      b. Stock register      c. Cost analysis register      d. Register for notional transactions
82. .... gives the names and number and value of shares held by various preference shareholders.  
a. List B      b. List D      c. List F      d. List G
83. .... gives the list of preferential creditors  
a. List C      b. List D      c. List H      d. List G
84. .... list gives a complete list of assets which are specifically pledged in favour of fully secured and partly secured creditors  
a. List B      b. List D      c. List F      d. List G
85. .... list gives the names and holdings of equity shareholders  
a. List F      b. List G      c. List H      d. List A
86. Which of the following IFRS specifies the accounting for assets held for sale and the preparation and disclosure of discontinued operations?  
a. IFRS 3      b. IFRS4      c. IFRS 5      d. IFRS6
87. Which of the following IFRS outlines the requirements for the preparation and presentation of consolidated financial statements?  
a. IFRS 10      b. IFRS 11      c. IFRS12      d. IFRS1



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### Answers

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