

ÉÉÁ þÖā^ÁþǾ{ ÖÉ Á

ç~•č ā^}•Ė ā *

Mgt 401 final term quiz File

Lec 1 to 45

August 4 2010

1.

Insurance paid in advance would be treated in the Balance sheet as:

Select correct option:

Non current asset

Current asset

Intangible asset

Deferred expense

7\Ub[YX'k]h'h Y'89AC`J9FG=CB`cZ7 58! ?5G'D8: !9X]cf'fl Hd.#k k k 'WUX_Ug'Wta L"
2. According to the section 96A of the Companies Ordinance 1984, which of the following statement is correct?

Select correct option:

Creditors are not entitled to object repurchase

Creditors are entitled to object repurchase fully

Creditors are entitled to object repurchase partially

Company is not required to maintain a capital repurchase reserve

3. **Which of the following clause of Companies Ordinance 1984 told that the long term loans shall be classified as secured and unsecured?**

Select correct option:

Clause 8(A)

Clause 8(B)

Clause 8(C)

Clause 9(B)

4. **Which of the following represents that the shares are issued at a price below the face value?**

Select correct option:

Share issued at premium

Share issued at discount

Share issued at par value
Share issued at nominal value

5. Revaluation of asset is conducted by:

Select correct option:

Directors
Shareholders
Managers
Professional Qualified Valuers

6. Which of the following is (are) related with the IAS 23?

Select correct option:

Qualifying Assets
Amount to be capitalized related to the Borrowing cost
Capitalization period related to the Borrowing cost
All of the given options

7. Which of the following is recorded under Long Term Liabilities section of the Balance Sheet?

Select correct option:

Debtors
Creditors
Provision for Taxation
Dividend Payable

8. What is the maximum number of shareholders allowed for a Public Limited Company?

Select correct option:

20
50
10
Unlimited

9. Which of the following clause of Companies Ordinance 1984 told that the Non-current liabilities shall be classified under appropriate subheads?

Select correct option:

Clause 8(A)
Clause 8(B)
Clause 8(C)

10. Which of the following represents the claims of the owners against the assets of the business?

Select correct option:

Assets

Expenses

Owner's Equity

Income

11. A Private limited company can be formed at least by:

Select correct option:

2 members

3 members

1 member

07 members

12. Which of the following represents the total par value of shares offered to the general public for contribution?

Select correct option:

Registered Capital

Issued Capital

Subscribed Capital

Paid up Capital

13. Which of the following represents that total par value of shares which is taken up by the public out of total issued capital?

Select correct option:

Registered Capital

Subscribed Capital

Reserve Capital

Called up Capital

14. Section 95A of the Companies ordinance 1984 is applied on which of the following companies?

Select correct option:

Listed companies only

Non listed companies only

Private companies only

All companies

**15. Which of the following represents the objective of the financial statements?
Select correct option:**

To provide the information about the business objectives

To provide the information about the business liabilities

To provide the information about the business assets

To provide the information about the Financial position, Financial performance and Changes in financial position

16. Which of the following section of the Companies ordinance 1984 refers to the share issued at discount?

Select correct option:

Section 83

Section 84

Section 85

Section 86

17. According to the Prudence concept, Stock should be included in Balance Sheet at:

Select correct option:

Cost

Its net Realizable value

Lower of its total cost Or its total net realizable value

Higher of its total cost Or its total net realizable value

18. Which of the following IAS deals with Subsidiary Companies?

IAS 27

IAS 28

IAS 01

IAS 07

19.

Which one the following risk will arise when financial instruments fluctuate due to changes in foreign exchange rates?

Select correct option:

Credit Risk

Cash Flow Risk

Liquidity Risk

None of the given options

20.

Which of the following is an artificial person recognized by law?

Select correct option:

Limited company

Partnership

Sole-proprietorship

Trust

21.

Why do businesses charge depreciation on their fixed assets?

Select correct option:

To ensure that sufficient cash is available to replace the assets

To show the realizable value of the assets in the Balance Sheet

To spread the cost of the assets over their estimated useful life

To show when the assets must be replaced

Mgt 401 final term quiz

22. Which of the following is/are Non-Current Liabilities according to the 4th schedule clause 8(A) of the Companies Ordinance 1984?

Select correct option:

Long term financing

Debentures

Deferred liabilities

All of the given options

23. Which of the following is a fall in the value of an asset so that its recoverable amount is now less than its carrying value in the balance sheet?

Select correct option:

Impairment

Depreciation

Accumulated Deprecation

Carrying Value

24. **Insurance paid in advance would be treated in the Balance sheet as:**

Select correct option:

Non current asset

Current asset

Intangible asset

Deferred expense

25. **According to the section 95A of the Companies ordinance 1984, which of the following statement is correct?**

Select correct option:

Creditors are not entitled to object repurchase

Creditors are entitled to object repurchase fully

Creditors are entitled to object repurchase partially

Company is not required to maintain a capital repurchase reserve

26. **What is the treatment of Accumulated Depreciation in accounting?**

Select correct option:

Treated as a reserve

Treated as a contra asset

Treated as a surplus

27. **Which of the following clause of Companies Ordinance 1984 told that the long term loans shall be classified as secured and unsecured?**

Select correct option:

Clause 8(A)

Clause 8(B)

Clause 8(C)

Clause 9(B)

28. **Which of the following represents that total par value of shares which is taken up by the public out of total issued capital?**

Select correct option:

Registered Capital

Subscribed Capital

Reserve Capital

Called up Capital

29. **Which of the following represents that the shares are issued at a price below the face value?**

Select correct option:

Share issued at premium

Share issued at discount

Share issued at par value

Share issued at nominal value

30. Revaluation of asset is conducted by:

Select correct option:

Directors

Shareholders

Managers

Professional Qualified Valuers

31. Which of the following is (are) related with the IAS 23?

Select correct option:

Qualifying Assets

Amount to be capitalized related to the Borrowing cost

Capitalization period related to the Borrowing cost

All of the given options

**32. Which of the following clause of Companies Ordinance 1984 told that the
Non-current liabilities shall be classified under appropriate heads?**

Select correct option:

Clause 8(A)

Clause 8(B)

Clause 8(C)

Clause 9(B)

33. A legal obligation is that which is derived from:

Select correct option:

A contract

A legislation

Other operation of law

All of the given options

34. Which of the following IAS covers the treatment of Finance Lease?

Select correct option:

IAS 17

IAS 18

IAS 33
IAS 01

35. Which of the following is the direct cost of manufacturing the goods that were sold by the entity during the reporting period?

Select correct option:

Cost of Goods Sold

Revenue
Asset
Liability

36. Which of the following is/are included in the cost of goods sold?

Select correct option:

Cost of materials used
Direct labour cost
Factory cost

All of the given options

37. Which of the following is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity?

Select correct option:

Contingent asset

Fixed asset
Current asset
Floating asset

38. Which of the following refers to any notice, circular, advertisement, or any other invitation to the public for subscription of any shares or debentures of a company?

Select correct option:

Prospectus

Statement in lieu of prospectus
Articles of association
Memorandum of association

39. Which of the following is old name of Cash Flow Statement?

Select correct option:

Sources and Application of Funds

Sources and Application of Liabilities

Sources and Application of Activities

Sources and Application of Income

40. Which of the following is considered as Non-cash item?

Select correct option:

Amortization

Accruals

Prepaid expenses

Outstanding expenses

41. Which of the following is/are the event/s after the balance sheet date with respect to IAS 10?

Select correct option:

Adjusting events only

Non-adjusting events only

Both Adjusting and Non-adjusting events

None of the given options

42. All are the types of the financial statements according to IAS-1 except:

Select correct option:

Balance sheet

Statement of changes in equity

Director's report

Notes to the financial statements

43. An enterprise would be the subsidiary of another enterprise if that investor enterprise can

44. control the subsidiary represents:

Select correct option:

Subsidiary Companies

Holding Companies

Public Limited Companies

Private Limited Companies

45. Which of the following is charged to revenue in leasing?

Select correct option:

Repair and maintenance

Material renewals

Addition or extension of assets

Premium given for lease

46. With respect to IAS 10, a major business takeover after the balance sheet date

47. or disposing of a major subsidiary is considered as which of the following?

Select correct option:

Adjusting Event

Non-Adjusting Event

Bogus Event

Contingent Event

48. Which is/are Not the objectives of financial statements according to IASB's Framework?

Select correct option:

Provide information about the financial performance, position, and changes in financial position of an entity which is useful for wide range of users of financial statements in making economic decisions

Prepare and present income statement, balance sheet, statement of changes in equity and cash flow statement

Prepare all financial statements in accordance with applicable Accounting Standards and Interpretations

Both (b) & (c)

49. Which of the following is the gross inflow of economic benefits during the period arising

50. in the course of ordinary activities of an entity when those inflows result in increases

51. in equity, other than increases relating to contributions from equity participants?

Select correct option:

Revenue

Expense
Asset
Liability

52. Which of the following is TRUE with respect to the Operating Lease?

Select correct option:

A lease is classified as an operating lease if it not transfers substantially all the risks and rewards incident to ownership

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership

A lease is classified as an operating lease if it transfers substantially 49%% of the risks and rewards incident to ownership

A lease is classified as an operating lease if it transfers substantially 50% of the risks and rewards incident to ownership

53. Depreciation is:

Select correct option:

A systematic allocation of depreciable amount of an asset over its estimated useful life

The end life of an asset

The increase in value of asset

Another name of Impairment

54. Preparation and presentation of Financial Statements are governed by:

Select correct option:

Companies Ordinance 1984

International Accounting Standards

International Financial Reporting Standards

All of the given options

55. Which of the following IAS covers the retrospective restatements of prior period errors?

Select correct option:

IAS 8

IAS 7

IAS 16

IAS 18

56. With respect to IAS 10, business announcing a plan to discontinue an operation after the balance sheet date is considered as which of the following?

Select correct option:

- Adjusting Event
- Non-Adjusting Event**
- Bogus Event
- Contingent Event

57. Which of the following is TRUE with respect to Liability?

Select correct option:

It is a present obligation of the entity arising from a past event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

It is a past obligation of the entity arising from a future event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

It is a present obligation of the entity arising from a past event the settlement of which is expected to result in an inflow from the entity of resources embodying economic benefits.

It is not a present obligation of the entity arising from a past event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

58. Which type of lease is primarily NOT for the purpose of transferring all the risks and rewards of ownership?

Select correct option:

- Finance lease
- Operating lease**
- Sale & lease back
- Hire Purchase Agreement

59. The financial charges calculated at the interest rates implicit in the lease and are charged to:

Select correct option:

- Profit and loss account**
- Balance sheet
- Profit and loss appropriation account
- Notes to the account

60. Which of the following IAS deals with Inventories?

Select correct option:

- IAS 38

IAS 23

IAS 02

IAS 16

61. Which of the following TRUE with respect to Provision?

Select correct option:

It is a liability of uncertain timing or amount?

It is a liability of certain timing or amount?

It is an asset of uncertain timing or amount?

It is an income of uncertain timing or amount?

62. Funds contributed by the owner to run a business are called:

Select correct option:

Assets

Expenses

Capital

Running Finance Loans

63. In 3 years you are to receive Rs. 5,000. If the interest rate were to suddenly increase, the present value of that future amount to you would:

Select correct option:

Fall

Rise

Remain same

Non of the given options

64. Which of the following IAS deals with Revaluation of Assets?

Select correct option:

IAS 16

IAS 07

IAS 01

IAS 23

65. Which of the following is the gross inflow of economic benefits during the period arising in the course of ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants?

Select correct option:

Revenue

Expense

Asset

Liability

66. Which of the following is charged to revenue in leasing?

Select correct option:

Repair and maintenance

Material renewals

Addition or extension of assets

Premium given for lease

67. Which of the following TRUE with respect to Provision?

Select correct option:

It is a liability of uncertain timing or amount?

It is a liability of certain timing or amount?

It is an asset of uncertain timing or amount?

It is an income of uncertain timing or amount?

68. Which of the following is TRUE with respect to the measurement of Revenue – IAS 18?

Select correct option:

Revenue shall be measured at the fair value of the consideration received or receivable

Revenue shall be measured at the future value of the consideration received or receivable

Revenue shall be measured at the discounted value of the consideration received or receivable

Revenue shall not be measured at the fair value of the consideration received or receivable

69. Which of the following guide an entity to change the accounting policy?

?á The application of an accounting policy for transactions, other events or conditions that differ in substance from those previously occurring

?á The application of a new accounting policy for transactions, other events or conditions that did not occur previously or were immaterial

?á If the change is required by a standard or an interpretation

?á All of the given options

Question No: 03

70. Which of the following asset is recorded in Balance Sheet under the heading of Current Assets?

?á Furniture

?á Deferred Cost

?á Land

?á **Prepayments**

Question No: 05

71. What cost should be charged to the equipment if:

• Equipment was purchased for Rs. 34,000;

• Costs were incurred on the date of purchase:

○ Loss on sale of old equipment Rs. 4,000;

○ Installation costs Rs. 3,000; and Breaking-in costs Rs. 500

?á Equipment should be charged with Rs. 37,500

?á Equipment should be charged with Rs. 34,000

?á Equipment should be charged with Rs. 38,000

?á Equipment should be charged with Rs. 37,000

Question No: 09

72. Under which of the following methods for inventory valuation, inventory is valued at most recent costs?

?á FIFO Method

?á **LIFO Method**

?á Weighted Average Method

?á Specific Identification Method

Question No: 10

73. Which one of the following methods for inventory valuation is based on the assumption that the most recently purchased merchandise to be sold first?

?á **FIFO Method**

?á LIFO Method

?á Weighted Average Method

?á Specific Identification Method

Question No: 11

74. Which of the following is the Classification of Current Assets with respect to the Companies Ordinance 1984?

?á Fixture

?á Bank overdraft

?á Premises

?á **Spare parts**

Question No: 12

75. Which of the following IAS mainly covers Financial Instruments of other long term investments?

?á IAS 27 & 32

?á IAS 28 & 39

?áIAS 32 & 39

?áIAS 31 & 32

Question No: 13

76. Which of the following is/are shown under the heading of Stock-in-Trade in Balance Sheet?

?áRaw Materials

?áWork in Process

?áFinished Goods

?áAll of the given options

77. Which of the following is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments, the right to use an asset for an agreed period of time?

?áA lease

?áHire purchase

?áInstallment

?áTrading on credit basis

Question No: 24

78. A prior period error shall be corrected by:

?áRetrospective restatement

?á Prospective application

?á Shall not be corrected

?á Costing

Question No: 25

79. Which of the following is NOT included in the Equity Section of the Balance Sheet?

?á **Current portion of long term liability**

?á Paid up capital

?á Reserves

?á Un-appropriated profit

Question No: 26

80. Which of the following is included in the Current Assets Section of the Balance Sheet?

?á **Stores and Spares**

?á Reserves

?á Un-appropriated profit

?á Debentures

Question No: 27

Question No: 28

81. Which of the following is TRUE with respect to the measurement of Revenue – IAS 18?

?á **Revenue shall be measured at the fair value of the consideration received or receivable**

?á Revenue shall be measured at the future value of the consideration received or receivable

?á Revenue shall be measured at the discounted value of the consideration received or receivable

?á Revenue shall not be measured at the fair value of the consideration received or receivable

Question No: 29

82. All of the followings are included in Minimum Lease Payment EXCEPT:

?á Initial payment

?á All lease rentals

?á Any amount that is guaranteed to be paid during or at the end of the lease term

?á Insurance paid by lessor and recovered from lessee

Question No: 30

Question No: 31

83. The present value should be substantially equal to the fair value of the asset. Which of the following represents the best meaning of "substantially equal under finance lease"?

?á Generally 90 % or more is considered to be substantially equal

?á Generally 90% or lower is considered to be substantially equal

?á Generally 50% is considered to be substantially equal

?á Generally Less than 50% is considered to be substantially equal

84. What single investment, made today, earning 10% annual interest, will be worth Rs. 2,420 at the end of 2nd year?

?á Rs. 2,928

?á Rs. 420

?á Rs. 484

?á Rs. 2,000

Question No: 35

85. **Deferred Tax can be the example of?**

- ?á Current Liabilities
- ?á Long term Murabaha
- ?á Long term deposits

?áDeferred Liabilities

Question No: 36

Question No: 37

86. **Which of the following lease payments should be apportioned?**

7\ Ub[YX'k]h 'h Y'89 AC`J9FG=CB`cZ7 58! ?5 G'D8 : !9X]rcf`fl Hd.#k k k 'WUX_Ug'Wta Ł"

- ?á Finance charges
- ?á Capital charges
- ?á Revenue charges

?áFinance charge and the reduction of the outstanding liability

Question No: 38

87. **How the fair value will be considered when the flow of cash or cash equivalent is deferred?**

?áConsidered be less than the nominal amount of cash received or receivable

- ?á Considered be more than the nominal amount of cash received or receivable
- ?á Considered be less than the expected amount of cash received or receivable
- ?á None of the given options

88. Which of the following is the classification of expense by their functions with respect to IAS-01?

Select correct option:

Cost of distribution

Purchase of material

Depreciation

Transportation costs

89. Which of the following is/are the source/s for the issuance of bonus shares?

Select correct option:

Profit and loss appropriation account

Share premium account

Revenue reserve

All of the given options

90. What would be the present value of Rs. 8,500 to be received after 8 years at a discount rate of 10 percent?

Select correct option:

Rs. 3,965

Rs. 7,992

Rs. 15,300

Rs. 18,221

Here $n = 8$

$i = 10\%$ p.a

FV= Rs. 8500

$PV = FV / (1 + i)^n$

$PV = 8500 / (1+10\%)^8$

$PV = 8500 / (1.1)^8$

$PV = 8500 / 2.144$

$PV = Rs. 3964.55$

91. Which of the following is the example of Administrative Cost?

Select correct option:

Depreciation

Advertising cost

Mark up on loan

Service charges of bank

92. Which of the following represents the meaning of turnover in accounting?

Select correct option:

Gross sale

Total profit

Total output

Total investment

93. Ordinary shares are also called:

?á Common shares

?á Common stock

?á Equity shares

?á **All of the given options**

94. If you plan to save Rs. 5,000 with a bank at an interest rate of 8%, what will be the worth of your amount after 4 years if interest is compounded annually?

?á Rs. 5,400

?á Rs. 5,900

?á Rs. 6,600

?á **Rs. 6,802**

Here

n = 4

i = 8% p.a

PV= Rs. 5000

$FV = PV(1 + i)^n$

$FV = 5000 (1+8\%)^4$

$FV = 5000 (1.08)^4$

$FV = 5000(1.36)$

$FV = \text{Rs. } 6800$

95. What would be the present value of Rs. 17,000 to be received after 8 years at a discount rate of 10 percent?

?á **Rs. 7,931**

?á Rs. 15,981

?á Rs. 30,600

?á **Rs. 36,441**

n=8

$i=10\%$
 $f.v=17000$
 $PV = FV / (1 + i)^n$
 $p_v=17000/(1+10\%)^8$
 7930

96. Depreciation calculation which is at a lesser amount for every following period:

?áReducing balance method

?á Straight line method

?á Sum of digit method

?á Output method

97. How many types of possible format are provided by IAS-1 for income statement?

?áTwo types of possible formats

?á Three types of possible formats

?á Four types of possible formats

?á Five types of possible formats

98. What are the basic three key elements used to decide whether an intangible-fixed asset should be recognized in the accounts? 441132 You are advised to go through Lec# 8 for this concept.

Select correct option:

Control, identifiably & economic benefits

Control, marketability & materiality

Completion of development, control & identifiably

99. Which of the following is INCORRECT for equity of a Public Limited Company? Select correct option:

Equity = Total Assets – Total Liabilities

Equity = Share Capital + General Reserves + Revenue Reserves

Equity = Share Capital + Reserves

Equity = Share Premium + Reserves

100. Which of the following is/are TRUE about the Draft Financial Statements? 41125

Select correct option:

Draft statements are prepared by the accounts department

Draft statements are audited by the external auditors

Draft statements are put in front of the Board of Directors for approval

All of the given options

101. Which of the following can also be called shareholders fund?

441127

Select correct option:

Paid up capital

Called up capital

Subscribed capital

Equity

102. Which of the following is/are considered as expense by their nature with respect to IAS 01?

Select correct option:

Advertising costs

Depreciation expenses

Amortization expenses

All of the given options

Which of the following is/are NOT the example(s) of current liability?

Select correct option:

Sundry Debtors /trade debtors

Debentures

Loan given to Mr. A for shorter period

All of the given options

103. Which of the following is NOT considered as Non-cash item? 441119

Select correct option:

Depreciation

Amortization

Depletion

Stock

104. Which of the following is considered as inflow of cash?

Select correct option:

Re-purchase of shares

Redemption of debentures

Issuance of debentures

Payment of dividend

105. Which of the following is NOT considered as expense by their nature with respect to IAS 01?

Select correct option:

- Purchase of material
- Transportation costs
- Employees benefits costs
- Cost of goods sold

106. Which of the following IAS covers the Debentures?

?áIAS 32 only

?áIAS 39 only

?áBoth IAS 32 and IAS 39

?áIAS 17

107. Which of the following is TRUE if the amount is transferred to General Reserves?

7\ Ub[YX'k]h 'h Y'89 AC`J9FG=CB`cZ7 58! ?5 G'D8 : !9X]rcf`fl Hd.#k k k 'WUX_Ug'Wta Ł"

?áReserves will be increased

?áRetain earnings will be decreased

?áNo effect on total equity

?áAll of the given options

Unsolved question for final terms

Mgt401 Unsolved Questio

108. Which of the following statement is/are INCORRECT under the Equity Method for recognition of investment in associated companies?

Select correct option:

- Any distribution of profits by the investee company is recorded as an income
- The carrying amount of the investment is increased or decreased to reorganize the distributor's share of profits or losses of the investee after the date of acquisition

The carrying amount of the investment is increased or decreased to reorganize the investor's share of profits or losses of the investee before the date of acquisition

All of the given options

109. **If an item that meets the definition of an element is recognized:**

Select correct option:

When it is possible that any future economic benefit linked with the item will flow to or from the entity.

When the element has cost or worth that can be measured reliably

When entity obtains control of the rights or obligations linked with the item.

When there is probable that any future economic benefit linked with the item will flow to or from the entity and the item has a cost or worth that can be measured reliably

110. **Which of the following is adjusted as working capital change in operating activities section of a cash flow statement?**

Select correct option:

7\Ub[YX'k]h'h Y'89AC`J9FG=CB`cZ7 58! ?5G'D8: !9X]rcf`fl Hd.#k k k 'WUX_Ug'Wta L"

Decrease in trade receivable

Repayment of dividend

Payment of goodwill

Investment in associated companies

111. **Which of the following reflects the TRUE description of "Probable" with respect to IAS-37?**

Select correct option:

Future events are likely to occur.

The chance of the future event occurring is more than remote but less than likely.

The chance of future events occurring is slight.

Product guarantee or undertaking given by the seller to the buyer to compensate for any deficiency of quantity, quality or performance specification of a product.

112. **Which of the following is TRUE with respect to the application of Cash Flow Statement?**

Select correct option:

Sale of equipment for cash is considered as inflow of cash

Sale of equipment on account is considered as inflow of cash

Sale of equipment on credit is considered as inflow of cash

Sale of equipment for cash is considered as outflow of cash

Intention to complete development, economic benefits & identifiably

113. Ahmad & Co. changed LIFO method to FIFO method to account for its finished goods

inventory. Whether it is:

Select correct option:

Change in accounting policy

Prior period error

Change in accounting estimate

Irrelevant item with respect to IAS-08

114. Which of the following is not required to disclose as additional information when an entity decides to present its income statement on the basis of "Function of Expense" method?

Select correct option:

Depreciation expense

Director's remuneration

Employees' benefits expense

Amortization expense

116. Cash flow statement is designed to assist users in assessing all of the following except:

Select correct option:

Capability of the company to remain solvent

Company's profitability

Major source of cash receipts & payments during the period

Provide reason why net cash flow from operating activities fluctuate from net income

117. Which of the following organizations are required to issue a prospectus for raising capital?

Select correct option:

Public limited companies

Private limited companies

441134 You are advised to go through Lec# 25

Partnership firms
Sole traders

118. If issuance of debentures against cash is Rs. 3,000 and repurchase of shares of Rs. 4,000 then which of the following is correct?

Select correct option:

- Inflow of cash Rs. 7,000
- Outflow of cash Rs. 7,000
- Inflow of cash Rs. 1,000
- Outflow of cash Rs. 1,000

119. How many types of financial statements exist according to IAS-1?

Select correct option:

- 5
- 4
- 3
- 6

120. Which of the following is NOT related to the qualitative characteristics that make financial information useful?

441135 You are advised to go through Lec# 4 & 33.

Reliability only
Relevancy only
Both Reliability and Relevancy
Understandability

121. Which of the following is TRUE about the changes due to issuance of bonus shares?

Select correct option:

- Decrease in reserves and surpluses
- Increase in reserves and surpluses
- Increase in working capital
- Decrease in working capital

122. Which of the following is TRUE about the meeting of directors?

?á The quorum for a meeting of directors of listed company shall not be less than 1/3 of their member or four whichever is greater.

?á The quorum for a meeting of directors of listed company shall not be less than 1/3 of their member or four whichever is lower.

?á The quorum for a meeting of directors of listed company shall not be less than 1/2 of their member or four whichever is lower.

?á The quorum for a meeting of directors of listed company shall not be less than 1/2 of their member or four whichever is greater.

123. Which one of the following expenditure cannot be capitalized? 441136 You are advised to go through Lec # 19 & 20.

?á Initial composition cost

?á Cost of adding air conditioner to the computer room

?á Cost of adding extra RAM to computer

?á New tires placed on a motor car

124. Which of the following is an example of research activities with respect to Intangible Assets?

?á Activities aimed at obtaining new knowledge

?á The design of tools, jigs, moulds and dies involving new technology

?á The design, construction and testing of pre-production or pre-use prototypes and models

?á The design, construction and operation of a pilot plant

125. Under which of the following circumstance(s), Trade Discount is granted?

?á When selling to a fellow trader

?á When the buyer is an old customer

?á When sales are made in bulk

?á All of the given options

126. If a manufacturer gives warranties at the time of sale to the purchaser of its products, under the terms of the contract for sale the manufacturer

undertakes to make good, by repair or replacement, manufacturing defects that become apparent within three years from the date of sale. On past experience, it is probable (i.e. more probable than not) that there will be some claims under the warranties. Then which of the following is TRUE with respect to IAS-37?

- ?á It gives rise to legal obligation.
- ?á It gives rise to constructive obligation.
- ?á It does not give rise to legal obligation.
- ?á It removes the legal obligation.

127.

A furnace has a lining that needs to be replaced every 5 years for technical reasons. At the balance sheet date, the lining has been in use for 3 years. Which of the following is TRUE with respect to IAS-37?

- ?á There is no present obligation
- ?á It gives rise to legal obligation.
- ?á It gives rise to constructive obligation.
- ?á None of the given options

Question No: 21

Question No: 22

128. Which of the following is TRUE with respect to the issuance of shares?

- ?á Equity will be increased only
- ?á Share capital will be increased only
- ?á Both share capital and equity will be increased
- ?á Retain earning will be increased

Question No: 23

129. Which of the following is TRUE with respect to IAS-02?

?á Inventory valuation under periodic and perpetual methods is the same under FIFO

?á Inventory valuation under periodic and perpetual methods is the same under Moving Average Method

?á In period of rising prices FIFO method gives the Lowest net profit compared to LIFO method

?á In period of rising prices FIFO method gives the highest net profit compared to LIFO method

130. Which of the following statement is correct for Finance Lease?

?á The present value should be substantially equal the fair value of the asset

?á The present value should always greater than the fair value of the asset

?á The present value should always less than the fair value of the asset

?á There is no relationship between the present value and fair value of asset

131. Debt Instruments issued for a long term by governments, financial institutions and companies for raising long term loans are called?

?á Options

?á Debentures

?á Shares

?á Securities

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

mgt401 quiz 30-july 2010 - Microsoft Word

File Edit View Insert Format Tools Table Window Help

Type a question for help

100% MS Sans Serif 9 B I U

Click here to Save Answer & Move to Next Question

Which of the following is considered as Non-cash item?

Select correct option:

☐ Depletion

☐ Accrued income

☐ Outstanding liabilities

☐ Outstanding assets

Click here to Save Answer & Move to Next Question

Page 1 Sec 1 1/7 At Ln Col REC TRK EXT OVR English (U.S)

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

7\Ub[YX'k]h 'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

mgt401 quiz 30-july 2010 - Microsoft Word

File Edit View Insert Format Tools Table Window Help

Type a question for help

100% MS Sans Serif 9 B I U

Which of the following is the basis for the recognition of Revenue?

Select correct option:

☐ Interest shall be recognized using effective interest method as set out in IAS 39

☐ Interest shall be recognized using effective interest method as set out in IAS 38

☐ Interest shall be recognized using effective interest method as set out in IAS 07

☐ Interest shall be recognized using effective interest method as set out in IAS 01

Click here to Save Answer & Move to Next Question

The financial charges calculated at the interest rates implicit in the lease and are charged to:

Select correct option:

7\Ub[YX'k]h 'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

7\Ub[YX'k]h 'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

mgt401 quiz 30-july 2010 - Microsoft Word

File Edit View Insert Format Tools Table Window Help

Type a question for help

100% MS Sans Serif 9 B I U

Which of the following is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding?

Select correct option:

☐ Research

☐ Development

☐ Audit

☐ Accounting

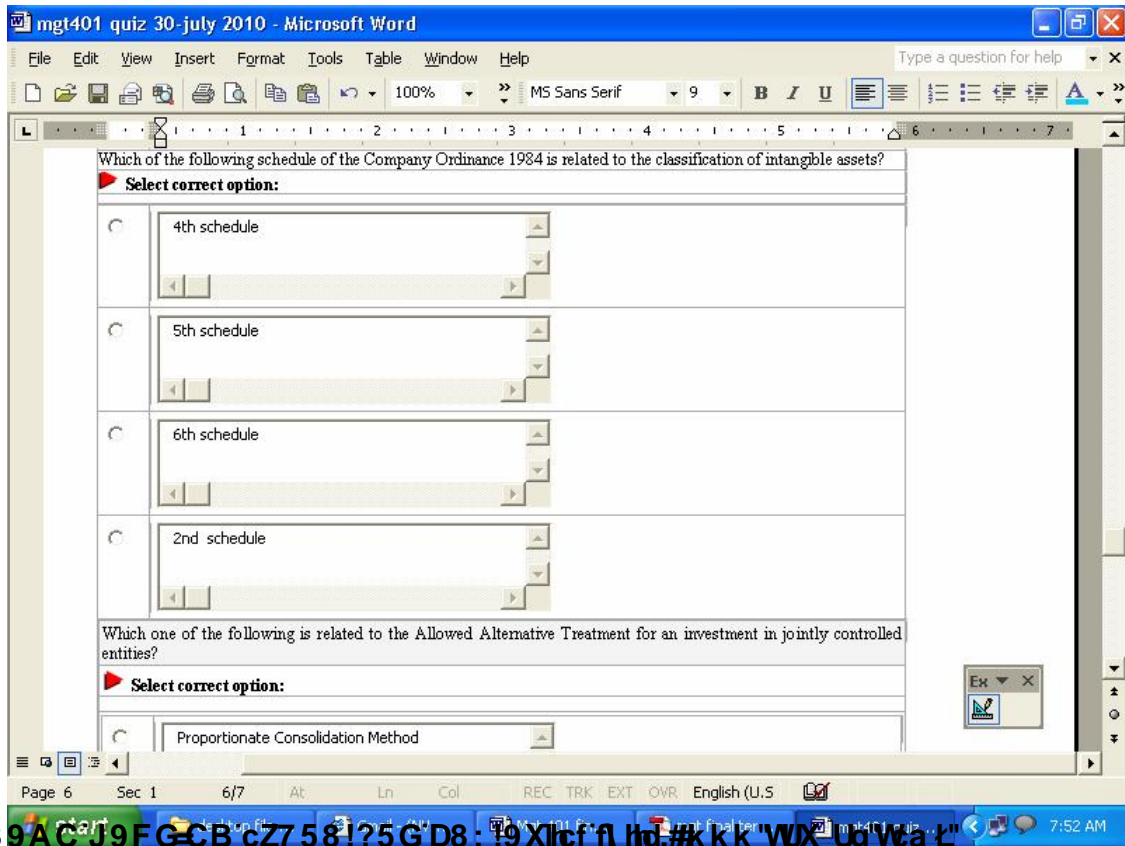
Click here to Save Answer & Move to Next Question

Which one of the following is related to IAS 32 & 39?

Page 4 Sec 1 4/7 At Ln Col REC TRK EXT OVR English (U.S)

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

7\Ub[YX'k]h'h Y'89AC'J9FG=CB'cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"



Made by: Armaan Makhani

MGT 401 Quizzes
Before Midterm Lec 1 to 18
14 to 24th may, 2010

1. Which of the following is NOT the Classification of Current Assets with respect to the Companies Ordinance 1984?

Select correct option:

Cash Balance
Bank Balance
Premises
Marketable Securities

2. Written down value of an asset = _____

Select correct option:

Original cost – Accumulated depreciation

Original cost – Appreciation

Book value – Accumulated depreciation

Original cost – Salvage value

- 3. Which of the following entities is not profit oriented entity?
Select correct option:**

Sole - proprietorship

Partnership

Companies

Foundations

- 4. All of the following are Fixed assets EXCEPT:
Select correct option:**

Machinery

Freehold land

Leasehold land

Marketable securities

Select correct option:

20

15

10

02

- 6. Question # 6 of 15 (Start time: 04:59:10 PM) Total Marks: 1
Which of the following is NOT the Classification of Current Assets with respect to the Companies Ordinance 1984?
Select correct option:**

Stock

General Stores

Spare parts

Bank over draft

- 7. Question # 7 of 15 (Start time: 05:00:37 PM) Total Marks: 1
Which of the following IAS deals with Inventories?
Select correct option:**

IAS 38

IAS 23

IAS 02

IAS 16

8. Which one of the following is related to IAS 32 & 39?

Select correct option:

Property, Plant & Equipment

Inventory

Financial Statements

Financial Instruments

9.

Question # 9 of 15 (Start time: 05:02:58 PM) Total Marks: 1

IAS-16 deals with:

Select correct option:

Property, Plant and Equipment

Cash Flow Statement

Presentation of Financial Statements

Earning per share

10. Which of the following meeting is held once in the life of a company?

Statutory Meeting

Annual General Meeting

Extraordinary Meeting

Board Meeting

11. Question # 11 of 15 (Start time: 05:05:02 PM) Total Marks: 1

Which of the following is NOT a Qualifying Asset?

Select correct option:

Power plant being in the process of manufacture

Inventories requiring a substantial period for manufacturing

Special order for a special inventory that will be manufactured in 5 months

Asset ready for use

12. Question # 12 of 15 (Start time: 05:06:24 PM) Total Marks: 1

Which of the following is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding?

Select correct option:

Research

Development

Audit

Accounting

13. Which of the following IAS deals with the Intangible Assets?
Select correct option:

IAS 38

IAS 23

IAS 01

IAS 16

Question # 14 of 15 (Start time: 05:08:00 PM) Total Marks: 1

Which of the following is/are the type(s) of stock for manufacturing concerns?
Select correct option:

Raw Material

Work in Process

Finished Goods

All of the given options

Question # 15 of 15 (Start time: 05:09:48 PM) Total Marks: 1

Which of the following is/are the type(s) of stock for manufacturing concerns?
Select correct option:

Diminishing Balance Method

Written Down Value Method

Specific Identification Method

Sum of Year Digit Method

14. All of the following are Fixed assets EXCEPT:
Select correct option:

Machinery

Freehold land

Leasehold land

Marketable securities

15. Which of the following schedule provides disclosure requirements for Listed Companies under Companies Ordinance 1984?
Select correct option:

4th schedule

5th schedule

6th schedule
2nd schedule

16. Which of the following investment are recorded using Cost Method?
Select correct option:

Investments made for longer period

Investments made for shorter period
Investments made for shorter and longer period
None of the given options

17. An enterprise would be the subsidiary of another enterprise if that investor enterprise can control the subsidiary represents:
Select correct option:

Subsidiary Companies

Holding Companies
Public Limited Companies
Private Limited Companies

18. Which of the following is NOT the method of stock valuation?
Select correct option:

FIFO Method
Weighted Average Method
Specific Identification Method
Straight Line Method

19. Which of the following IAS is related to the Consolidated and Separate Financial Statements?
Select correct option:

IAS 27
IAS 28
IAS 31
IAS 32

Which one of the following is a method of stock valuation?
Select correct option:

Diminishing Balance Method
Written Down Value Method
Specific Identification Method
Sum of Year Digit Method

20. Which of the following is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use?

Select correct option:

Applied research
Development
Business research
Accounting

21. What is the treatment of Depreciation in accounting?

Select correct option:

Treated as a reserve
Treated as an expense
Treated as a surplus
Treated as a Liability

22. Which of the following is/are example(s) of development activities?

Select correct option:

The design of tools, jigs, moulds and dies involving new technology
The design, construction and testing of pre-production or pre-use prototypes and models
The design, construction and operation of a pilot plant
All of the given options

23. Which of the following is/are the method(s) for calculating the cost of inventory?

Select correct option:

FIFO Method
Weighted Average Method
Specific Identification Method
All of the given options

24. Which of the following is (are) related with the IAS 23?

Select correct option:

Qualifying Assets
Amount to be capitalized related to the Borrowing cost
Capitalization period related to the Borrowing cost
All of the given options

25. Partnership firm has a maximum ____ numbers of partners.

Select correct option:

20

15

10

02

26. Which of the following sections of the Companies Ordinance 1984 is related to the Annual General Meeting?

Select correct option:

Section 157

Section 158

Section 159

Section 160

27. Which of the following may consist of more than 20 persons in case of partnership?

Select correct option:

Firms of Lawyers

Firms of Doctors

Firms of Associates

All of the given options

Mgt 401 quiz 3 May 13, 2010 before Midterm

28. Which one of the following is related to the Allowed Alternative Treatment for an investment in jointly controlled entities?

Proportionate Consolidation Method

Equity Method

Weighted Average Method

Sum of Year Digit Method

IAS-16 deals with:

Select correct option:

Property, Plant and Equipment

Cash Flow Statement

Presentation of Financial Statements

Earning per share

29. Companies are registered under:
Select correct option:

Partnership Act 1932

Companies Ordinance 1984

Partnership Agreement

Income Tax Ordinance 1979

30. Which of the following business is formed by the approval of Stock Exchange?
Select correct option:

Money Exchange Company

Non Banking Finance Corporation

Trade organization u/s 42 of the Companies ordinance 1984

Corporate Brockage House

31. to the Allowed Alternative Treatment, Which of the following method is used for stock valuation?
Select correct option:

FIFO Method

LIFO Method

Weighted Average Method

7\ Ub[YX'k]h 'h Y'89 AC`J9FG=CB`cZ7 58! ?5 G'D8 : !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta Ł"

Specific Identification Method

32. ijeeb191: Which of the following IAS deals with the Borrowing Costs?
Select correct option:

IAS 23

IAS 07

IAS 01

IAS 16

33. ijeeb191: Which one of the following is the type of stock for trading concerns?
Select correct option:

Raw Material

Work in Process

Finished Goods

Stock in Trade

me: d

34. ijeeb191: What is the meeting requirement for the directors of a Public Limited Company?
Select correct option:

At least once in each quarter

At least once in each month
At least once in each year
At least once in each week

35. **ijeeb191:** of the following represent(s) the Prime Cost?
Select correct option:

Direct Material Cost + Direct Labour Cost

Total Factory Cost – Factory Overheads

Conversion Cost – Factory Overheads + Direct Material Costs

All of the given options

36. **ijeeb191:** Which of the following is/are example(s) of development activities?
Select correct option:

The design of tools, jigs, moulds and dies involving new technology

The design, construction and testing of pre-production or pre-use prototypes and models

The design, construction and operation of a pilot plant

All of the given options

37. **ijeeb191:** Which of the following IAS deals with the Intangible Assets?
Select correct option:

IAS 38

IAS 23

IAS 01

IAS 16

38. **ijeeb191:** Which of the following is the Classification of Current Assets with respect to the Companies Ordinance 1984?
Select correct option:

Building

Land

Premises

Marketable Securities

39. **ijeeb191:** Which of the following is/are example(s) of research activities?
Select correct option:

ijeeb191: Activities aimed at obtaining new knowledge

The search, evaluation, final selection and application of research findings

The search for alternatives

All of the given options

- 40. ijeeb191: Which one of the following type(s) of information is(are) available in 4th and 5th schedule of the Companies Ordinance 1984?**

Select correct option:

Definitions and general requirements for preparation and presentation of financial statements

Requirements for Balance Sheet

Requirements for Profit and Loss Account

All of the given options

- 41. ijeeb191: Which one of the following IAS is related to the Interest in Joint Venture?**

Select correct option:

IAS 27

IAS 28

IAS 31

IAS 32

- 42. Which of the following fixed asset is shown at cost rather than book value?**

Machinery

Furniture

Vehicles

Land

- 43. Which of the following is an example of Capital Expenditure**

Wages paid on the purchases of goods

Carriage paid on the purchases of goods

Transportation paid on machinery purchased

Octori duty paid on goods

- 44. Which of the following methodology is adopted for the valuation of investments in associated companies?**

Equity Method

At cost or Under IAS 39

At amortized cost

At fair value

:

- 45. In case an item of property, plant and equipment is exchanged for similar asset of the enterprise, the cost of the new asset is measured at the ----- of the old asset.**

Carrying value

Fair value

Future value

Salvage Value

46. Which of the following represent(s) the Prime Cost?

Direct Material Cost + Direct Labour Cost

Total Factory Cost – Factory Overheads

Conversion Cost – Factory Overheads + Direct Material Costs

All of the given options

47. Which of the following costs can be capitalized?

Purchases of assets financed through issue of debentures

Assets that are not currently in use because of excess capacity

Assets not currently undergoing activities necessary to prepare for intended use

Assets intended for sale or use that are produced as discrete projects

48. Which one of the following is(are) NOT recorded under Current Liabilities section of the Balance Sheet?

Debentures

Deferred Taxation

Obligation Under Finance Lease

All of the given options

49. Which of the following is the deduction or allowance allowed by a creditor to a debtor?

Trade Discount

Cash Discount

Purchases return

Sales return

50. The term “Significant Influence” refers to the:

Ability to participate but not to control financial and management affairs of the enterprise

Ability to participate and control financial and management affairs of the enterprise

Neither to control nor to participate in financial affairs of the enterprise

None of the given options

Qiiiz 5 and 6

51. Which of the following is a rebate or allowance from the scheduled price granted by the seller to the buyer?

Trade Discount

Cash Discount
Purchases return
Sales return

52. Which of the following entities is profit oriented entity?

NGOs
Trust
Societies

Sole - proprietorship

53. Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?

Cash Balance
Loans and Advances
Bank Balance

All of the given

54. What is the treatment of Accumulated Depreciation in accounting?

Treated as a reserve
Treated as a contra asset
Treated as a surplus

Treated as an expense

sehrishnaz90: wah armaan quick service

: experince

55. Which of the following IAS deals with Inventories?

IAS 38
IAS 23

IAS 02

56. Which one of the following is NOT the component of cost?

Import duties
Installation costs

Cost of site preparation

Transportation outwards

57. What is the treatment of Depreciation in accounting?

Treated as a reserve

Treated as an expense

Treated as a surplus
Treated as a Liability

58. Which one of the following is related to the Benchmark Treatment for an investment in jointly controlled entities?

Proportionate Consolidation Method

Equity Method
LIFO Method
Specific Identification Method

59. Which of the following is/are NOT the example(s) of Financial Asset?

Minority interest
Sale of goods
Purchases of goods

All of the given options

60. Which one of the following is a fixed asset?

Cash in hand
Advanced payment
Closing stock

Leasehold vehicle

61. Which of the following is an example of Capital Expenditure?

Wages paid on the purchases of goods
Carriage paid on the purchases of goods
Transportation paid on machinery purchased
Octori duty paid on goods

62. All of the following are Fixed assets EXCEPT:

Machinery
Freehold land
Leasehold land

Marketable securities

63. Which of the following IAS deals with the Borrowing Costs?

IAS 23

IAS 07
IAS 01
IAS 16

64. Which of the following IAS deals with the Borrowing Costs?

IAS 23

IAS 07

IAS 01

IAS 16

65. Which of the following is INCORRECT with respect to Perpetual Inventory System?

Receipt of inventory is debited to Stock Account

Issuance of inventory is Credited to Stock Account and Debited to Material

Consumption Account

Receipt of inventory is debited to Purchase Account

Material Consumption Account becomes the part of Trading Account

66. Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?

Stock

Cash Balance

Finished Goods

7\ Ub[YX'k]h 'h Y'89 AC`J9FG=CB`cZ7 58! ?5 G'D8 : !9X]rcf`fl Hd.#k k k 'WUX_Ug'Wta Ł"

All of the given options

67. : Which of the following is an identifiable non-monetary asset without physical substance?

Tangible Asset

Intangible Asset

Floating Asset

Circulating Asset

68. : Which of the following represent(s) the Cost of goods sold?

Sales – Gross Profit

Opening Stock + Purchases – Closing Stock

Cost of goods Manufactured + Opening Finished Goods Inventory – Closing Finished Goods Inventory

All of the given options

69. Which of the following is(are) example(s) of Borrowing costs?

Interest on bank overdrafts

Interest on short-term borrowings

Interest on long-term borrowings

All of the given options

Mgt 401 quiz 7

70. Which of the following is the ability to govern the financial and operating policies of an enterprise so as to obtain from its activities?

Control

Significant Influence

Direct Subsidiary

Indirect Subsidiary

71. Which of the following is INCORRECT with respect to Perpetual Inventory System?

Receipt of inventory is debited to Stock Account

Issuance of inventory is Credited to Stock Account and Debited to Material Consumption Account

Receipt of inventory is debited to Purchase Account

Material Consumption Account becomes the part of Trading Account

72. Which of the following IAS deals with the Associated Companies?

IAS 28

IAS 01

IAS 07

73. Which of the following fixed asset is shown at cost rather at book value?

Machinery

Furniture

Vehicles

Land

74. Which of the following is the deduction or allowance allowed by a creditor to a debtor?

Trade Discount

Cash Discount

Purchases return

Sales return

75. Which of the following costs can be capitalized?

Purchases of assets financed through issue of debentures

Assets that are not currently in use because of excess capacity

Assets not currently undergoing activities necessary to prepare for intended use
Assets intended for sale or use that are produced as discrete projects

!~Mishel~!: 1??

76. 8:52 PM Which of the following is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale?

Qualifying Asset

Outstanding Asset

Tangible Asset

Intangible Asset

77. Which of the following investments are recorded using Equity Method?

Investments made for longer period

Investments made for shorter period

Investments made for shorter and longer period

None of the given options

78. Which of the following business is formed by the approval of State Bank of Pakistan?

Money Exchange Company

Non Banking Finance Corporation

Trade organization u/s 42 of the Companies ordinance 1984

Corporate Brockage House

79. If Original cost is Rs. 100,000; Depreciation rate is 20% p.a. using straight line method; what will be the value of accumulated depreciation at the end of 2nd year?

Rs.20,000

Rs. 40,000

Rs. 80,000

Rs. 60,000

80. Concept of Related Parties is defined in:

Companies Ordinance 1984

IAS

Both Companies Ordinance 1984 and IAS

Neither in Companies Ordinance 1984 nor in IAS

81. Which one of the following is related to the IAS 39?

Consolidated and Separate Financial Statements

Interest in Joint Venture

Financial Instruments Disclosure and Presentation

Financial Instruments Recognition and Measurement

7\Ub[YX'k]h'h Y'89AC`J9FG=CB`cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

82. Which of the following IAS affect(s) the recognition, presentation and disclosure of fixed assets in financial statements?

IAS 01

IAS 16

IAS 23

All of the given options

financial managment2 lec 1 to 18 quiz file

83. Which of the following is TRUE with respect to the disclosure requirements of Trade Debts?

Select correct option:

Doubtful debts is deducted from the Provision for doubtful debts

Doubtful debts and its Provision is shown separately as asset

Provision for doubtful debts is not taken into consideration

None of the given options

84. Which of the following IAS deals with the Borrowing Costs?

Select correct option:

IAS 23

IAS 07

IAS 01

IAS 16

7\Ub[YX'k]h'h Y'89AC`J9FG=CB`cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta L"

85. If Manufacturing Cost is Rs. 30,000 Opening Work in Process Inventory is Rs. 5,000 •Closing Work in Process Inventory is Rs. 10,000 Then: What is the amount of Cost of Goods Manufactured?

Select correct option:

Rs. 35,000

Rs. 25,000

Rs. 15,000

Rs. 20,000

86. Which of the following is/are the physical asset(s)?

Select correct option:

Term Finance Certificates

Loan Agreements

Trade Receivables

All of the given options

87. Which of the following methodology is adopted for the valuation of investments held to maturity?

Select correct option:

Proportionate Consolidation or Equity Method

At cost or Under IAS 39

At amortized cost
At fair value

88. In case an item of property, plant and equipment is exchanged for similar asset of the enterprise, the cost of the new asset is measured at the ----- of the old asset.

Select correct option:

Carrying value

Fair value

Future value

Salvage Value

89. All of the following are Fixed assets EXCEPT:

Select correct option:

Machinery

Freehold land

Leasehold land

Marketable securities

90. If the holding company owns more than 50% but less than 100% shares of the subsidiary company then the subsidiary type will be termed as:

Select correct option:

Partially owned subsidiary

Wholly owned subsidiary

Direct subsidiary

Indirect subsidiary

91. Which of the following is NOT related to the qualitative characteristics that make financial information useful?

Select correct option:

Reliability only

Relevancy only

Both Reliability and Relevancy

Understandability

92. 5:57 PM Which of the following sections of the Companies Ordinance 1984 is related to the Statutory Meeting?

Select correct option:

Section 157

Section 158

Section 159

Section 160

93. Which of the following sections of the Companies Ordinance 1984 is related to the Statutory Meeting?

Select correct option:

Section 157

Section 158

Section 159

Section 160

94. Under which of the following assumptions, the Financial Statements are to be prepared?

Select correct option:

Future assumption

Past assumption

Accrual basis and Going concern assumptions

Accrual basis assumption only

95. What will be the Book value of asset if its Original cost is Rs. 100,000; Accumulated depreciation is Rs. 40,000; and Depreciation for the year is Rs. 20,000?

Select correct option:

7\ Ub[YX'k]h 'h Y'89 AC'J9FG=CB'cZ7 58! ?5 G'D8 : !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta Ł"

Rs. 140,000

Rs. 160,000

Rs. 80,000

Rs. 60,000

96. Which one of the following type(s) of information is(are) available in 4th and 5th schedule of the Companies Ordinance 1984?

Select correct option:

Definitions and general requirements for preparation and presentation of financial statements

Requirements for Balance Sheet

Requirements for Profit and Loss Account

All of the given options

97. Which of the following is an example of Revenue Expenditure?

Select correct option:

Carriage paid on the purchases of goods

Transportation paid on machinery purchased

A second-hand car was purchases for Rs. 7,000 and Rs. 5,000 were spent for his repairs and overhauling

An additional room was constructed at a cost of Rs. 15,000

98. Which of the following IAS deals with Revaluation of Assets?
Select correct option:

IAS 16
IAS 07
IAS 01
IAS 23

99. If the holding company owns marginally less than 100% shares of the subsidiary company then the subsidiary type will be termed as:
Select correct option:

Partially Owned Subsidiary
Wholly Owned Subsidiary
Virtually Wholly Owned Subsidiary
Indirect Subsidiary

100. Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?
Select correct option:

7\ Ub[YX'k]h 'h Y'89 AC`J9FG=CB`cZ7 58! ?5 G'D8 : !9X]rcf`fl Hd.#k k k 'WUX_Ug'Wta Ł"
Cash Balance
Loans and Advances
Bank Balance
All of the given options

101. 6:20 Which of the following is NOT a Qualifying Asset?
Select correct option:

Power plant being in the process of manufacture
Inventories requiring a substantial period for manufacturing
Special order for a special inventory that will be manufactured in 5 months
Asset ready for use

102. 6:21 If the holding company owns more than 50% but less than 100% shares of the subsidiary company then the subsidiary type will be termed as:
Select correct option:

Partially Owned Subsidiary
Wholly Owned Subsidiary
Direct Subsidiary
Indirect Subsidiary

103. Which one of the following is NOT recorded under Equity section of the Balance Sheet?

Select correct option:

- Share Premium
- Share Capital
- Accumulated Profit
- Dividend Payable**

104. **Preparation and presentation of Financial Statements are governed by:**
Select correct option:

- Companies Ordinance 1984**
- International Accounting Standards
- International Financial Reporting Standards
- All of the given options

105. **Which of the following is NOT the Classification of Current Assets with respect to the Companies Ordinance 1984?**
Select correct option:

- Cash Balance
- Bank Balance
- Premises
- Marketable Securities**

106. **Which one of the following methods for inventory valuation is NOT suitable for homogeneous units?**
Select correct option:

- FIFO Method
- LIFO Method
- Weighted Average Method
- Specific Identification Method**

107. **Which of the following is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use?**
Select correct option:

- Applied research
- Development
- Business research**
- Accounting

108. Which of the following is NOT the type of Market Risk?

Select correct option:

Price Risk

Liquidity Risk

Interest Rate Risk

Currency Risk

109. Which of the following is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding?

Select correct option:

Research

Development

Audit

Accounting

110. 6:31 Which one of the following is related to IAS 32 & 39?

Select correct option:

7\Ub[YX'k]h'h Y'89AC`J9FG=CB`cZ7 58! ?5G'D8: !9X]rcf'fl Hd.#k k k 'WUX_Ug'Wta Ł"

Property, Plant & Equipment

Inventory

Financial Statements

Financial Instruments

111. Which one of the following is NOT the component of cost?

Select correct option:

Import duties

Installation costs

Cost of site preparation

Transportation outwards

112. Which of the following is the type of business owned by one person?

Select correct option:

Sole-Proprietorship

Partnership

Public Limited Company

Unlimited Company

113. Which one of the following is(are) recorded under the Equity section of the Balance Sheet?

Select correct option:

Share Premium

Reserves

Accumulated Profit

All of the given options

114. According to the Allowed Alternative Treatment, Which of the following method is used for stock valuation?

Select correct option:

FIFO Method

LIFO Method

Weighted Average Method

Specific Identification Method

115. Which of the following asset is not an example of Intangible Fixed Assets?

Select correct option:

Vehicles

Good Will

Copyrights

Trade Marks and Designs

116. Which of the following represents the Qualifying Asset?

Select correct option:

Inventory routinely manufactured

Asset ready for use

Manufacturing plants

None of the given options

117. **A Private limited company can be formed at least by:**

Select correct option:

2 members

3 members

1 member

07 members

118. Which one of the following is an example of Financial Asset?

Select correct option:

Inventories

Patent rights

Goodwill

Accounts receivable

119. Which of the following option is/are TRUE with respect to the Disclosure requirement for intangible assets acquired by the way of Government grants?
Select correct option:

The fair value initially recognized

Disclosure for carrying amount

Disclosure for the amount of commitments for acquisition of intangible assets

All of the given options

120. If stock valuation method is changed every year by the firm, which concept the firm has violated?
Select correct option:

The materiality concept

The consistency concept

The prudence concept

The going concern concept

121. Which of the following is an example of Revenue Expenditure?
Select correct option:

Carriage paid on the purchases of goods

Transportation paid on machinery purchased

A second-hand car was purchases for Rs. 7,000 and Rs. 5,000 were spent for his repairs and overhauling

An additional room was constructed at a cost of Rs. 15,000

122. Question # 14 of 15 (Start time: 01:51:03 PM) Total Marks: 1
Which of the following sections of Companies Ordinance 1984 are related to the Non Profit oriented entities?
Select correct option:

Section 42

Section 43

Section 44

Section 45

123. Which of the following may result for an inability to sell a financial asset quickly at close to its fair value?
Select correct option:

Price Risk

Liquidity Risk

Interest Rate Risk

Currency Risk

124. Which of the following schedule of the Company Ordinance 1984 is related to the classification of intangible assets?

Select correct option:

4th schedule

5th schedule

6th schedule

2nd schedule

125. The closing stock will be shown under the head of _____ in Balance Sheet.

Select correct option:

Non current Assets

Current Assets

Intangible Assets

Tangible Assets

126. Which of the following is another name for Authorized Capital of a company?

Select correct option:

Nominal Capital

Issued Capital

Subscribed Capital

Paid up Capital

127. Which of the following is/are excluded from Financial Assets?

Select correct option:

Physical Assets

Inventories

Prepaid expenses

All of the given options

128. Which of the following IAS is related to the Consolidated and Separate Financial Statements?

Select correct option:

IAS 27

IAS 28

IAS 31

IAS 32

129. Which of the following is the Classification of Current Assets with respect to the Companies Ordinance 1984?

Select correct option:

Building

Land

Premises

Marketable Securities

130. Which of the following statement shows the financial position of the business?

Select correct option:

Cash Flows Statement

Income Statement

Balance Sheet

Statement of Owner's equity

131. According to the Benchmark Treatment, Which of the following method is used for stock valuation?

Select correct option:

FIFO Method or LIFO Method

LIFO Method

FIFO or Weighted Average Method

Specific Identification Method

132. If the holding company owns 100% shares of the subsidiary company then the subsidiary type will be termed as:

Select correct option:

Partially Owned Subsidiary

Wholly Owned Subsidiary

Direct Subsidiary

Indirect Subsidiary

133. Under which of the following methods for inventory valuation, costs of earliest purchases assumed still to be in inventory?

Select correct option:

FIFO Method

LIFO Method

Weighted Average Method

Specific Identification Method

134. What is the maximum number of shareholders allowed for a Public Limited Company?

Select correct option:

20

50

10

Unlimited

135. Which of the following is/are equal to “Capital”?

Net Assets

Assets – Liabilities

Net worth of the firm

All of the given options

136. Which of the following is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction?

Depreciable Amount

Fair Value

Cost

Carrying Amount

2

137. Which of the following asset is NOT an example of Tangible Fixed Assets?

Patent rights

Furniture

Vehicles

Machinery.

138. Which of the following schedule provides disclosure requirements for Listed Companies under Companies Ordinance 1984?

4th schedule

5th schedule

6th schedule

2nd schedule

139. Which one of the following schedule provides disclosure requirements for Non-Listed Companies under Companies Ordinance 1984?

4th schedule

5th schedule

6th schedule

2nd schedule

140. in case an item of property, plant and equipment is exchanged for similar asset of the enterprise, the cost of the new asset is measured at the ----- of the old asset.

Carrying value

Fair value

Future value
Salvage
value

141. Which of the following is NOT an accounting concept?

Prudence
Going concern
Depreciation

Matching

142. Depreciation is:

A systematic allocation of depreciable amount of an asset over its estimated useful life
The end life of an asset
The increase in value of asset
Another name of Impairment

143. Which of the following statement shows the financial position of the business?

Cash Flows Statement
Income Statement
Balance Sheet
Statement of Owner's equity

144. Which of the following represents the interest and other costs incurred by an entity in connection with the borrowing of funds?

Loan
Interest on borrowed money paid during the period
Outstanding interest on borrowed money
Borrowing Costs

145. When we see the capital with Production capacity or operating capability of the enterprise then it called:

The financial concept of capital maintenance
The physical concept of capital maintenance
Both physical and financial concept of capital maintenance
Neither physical nor financial concept of capital maintenance

146. Which of the following is/are example(s) of research activities?

Activities aimed at obtaining new knowledge
The search, evaluation, final selection and application of research findings
The search for alternatives
All of the given options

147. which one of the following is(are) NOT recorded under Current Liabilities section of the Balance Sheet?

Select correct option:

Debentures

Deferred Taxation

Obligation Under Finance Lease

All of the given options

148. Which of the following section of the Companies Ordinance 1984 deals with Revaluation of Fixed Assets?

Select correct option:

Section 235

Section 236

Section 237

Section 238

149. Which of the following IAS affect(s) the recognition, presentation and discourse of fixed assets in financial statements?

Select correct option:

IAS 01

IAS 16

IAS 23

All of the given options