



ACCOUNTS

BOOKS - ARYA ACCOUNTS (HINGLISH)

COMMON SIZE STATEMENTS

Multiple Choice Questions

1. Main Objectives of Common Size statement
is :

- A. To present the changes in various items
- B. To provide for a common base for comparison
- C. To establish relationship between various items
- D. All of the above

Answer:



Watch Video Solution

2. Main objective of Common Size Balance Sheet is :

A. To establish relationship between revenue from operations and other items of statement of profit& loss

B. To prevent changes in assests and liabilities

C. To prevent changes in various items of income and expenses

D. All of the above

Answer:



Watch Video Solution

3. Which of the following is untrue :

A. Common size Balance Sheet

B. Common size Statement of Profit & Loss

C. Common size cash Flow Statement

D. None of the Above

Answer:



Watch Video Solution

4. Main objective of Common Size Statement of Profit & Loss is :

A. To present changes in assets and liabilities

B. To judge the financial soundness

C. To establish relationship between revenue from operations and other items of statement of Profit & Loss

D. All of the above

Answer:



Watch Video Solution

5. In the statement of Profit & Loss of a Common Size Statement :

- A. Figure of net revenue from operations is assumed to be equal to 100
- B. Figure of gross profit is assumed to be equal to 100
- C. Figure of net profit is assumed to be equal to 100
- D. Figure of assets is assumed to be equal to 100

Answer:



Watch Video Solution

6. In the Balance Sheet of a Common Size Statement :

A. Figure of share capital is assumed to be
100

B. Figure of current liabilities is assumed to
be 100

C. Figure of fixed assets is assumed to be
100

D. Figure of total assets is assumed to be

100

Answer:



Watch Video Solution

7. Total assets of a firm are ₹ 20,00,000 and its fixed assets are ₹ 8,00,000 . What will be the percentage of fixed assets on total assets ?

A. 0.6

B. 0.4

C. 0.29

D. 0.71

Answer:



Watch Video Solution

8. If total assets of a firm are ₹ 8,20,000 and its fixed assets are ₹ 5,90,000 , what will be the percentage of current assets on total assets ?

A. 0.42

B. 0.58

C. 0.28

D. 0.72

Answer:



Watch Video Solution

9. If net revenue from operations of a firm are ₹ 1,20,000 , cost of revenue from operations is ₹ 66,000 and operating expenses are ₹ 21,600 ,

what will be the percentage of operating income on net revenue from operations ?

A. 0.55

B. 0.45

C. 0.73

D. 0.27

Answer:



Watch Video Solution

10. If net revenue from operations of a firm are ₹ 15,00,000 , Gross Profit is ₹ 9,00,000 and operating expenses are ₹ 75,000 , what will be percentage of operating income on net revenue from operations ?

A. 0.45

B. 0.55

C. 0.35

D. 0.65

Answer:



Watch Video Solution

11. Main objectives of Trend Analysis is

- A. To make comparative study of the financial statements for a number of years
- B. To indicate the direction of movement
- C. To help in forecasts of various items
- D. All of the above

Answer:



Watch Video Solution

12. What will be the trend percentage , if the Inventory of a firm is ₹ 2,00,000, ₹ 2,40,000 , ₹ 3,00,000 and ₹ 4,00,000 respectively ?

A. 1,1.2 , 1.5 , 2

B. 10 , 12, 15 , 20

C. 100, 120 , 150 , 200

D. None of the Above

Answer:



Watch Video Solution

13. In a common size Balance Sheet , total liabilities are assumed to be equal to

- A. 1
- B. 10
- C. 100
- D. 1000

Answer:



Watch Video Solution

14. In a common size Statement of Profit & Loss , the amount of net revenue from operations is assumed to be equal to

- A. 1
- B. 10
- C. 100
- D. 1000

Answer:



Watch Video Solution