# ACCOUNTS

# BOOKS - ARYA ACCOUNTS (HINGLISH)

# COMPARATIVE STATEMENTS

## Multiple Choice Questions

**1.** The most commonly used tools for financial analysis are :

A. Comparative Statements

B. Common size Statements

C. Accounting Ratios

D. All of the above

**Answer: D**

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**2.** This item is not used as a tool for Analysis of Financial Statements :

A. Cash Flow Statement

B. Fund Flow Statement

C. Ratio Analysis

D. No. of Employees Statement

**Answer: D**

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**3.** Which one of the following items is not a tool used for financial analysis ?

A. Comparative Statements

B. Ratio Analysis

C. Common size Statements

D. Statement of Dividend Distribution

**Answer: D**

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**4.** Which one of the following items is not a method/tool of analysis of financial statements ?

A. Trend Analysis

B. Cash Flow Statement

C. Comparative Statements

D.

**Answer: B**

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**5.** Which one of the following items is not a method/tool of analysis of financial statements ?

A. Accounting Ratio

B. Break Even Point

C. Statement of Receipts and Payments

D. Fund flow Statement

**Answer: C**

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**6.** Which of the following items is not a method/tool of analysis of financial statements ?

A. Fund Flow Statement

B. Common size Statements

C. Statement of Trade Reveivables

D. Cash flow Statement

**Answer: C**

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**7.** Which of the following is the objective of comparative Statements?

A. To make the data simpler and understandable

B. To indicate the trend

C. To help in forecasting

D. All of the above

**Answer: D**

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**8.** Which of the following is device of comparative statements ?

A. Comparison expressed in terms of absolute data

B. Comparison expressed in terms of percentages

C. Comparison expressed in terms of ratios

D. All of the above

**Answer: D**

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**9.** Comparative Balance Sheet :

A. Provides a summarized view of the operations of the firm

B. Presents the financial position of the firm

C. Presents the change in various items of balance sheet

D. None of the above

**Answer: C**

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**10.** Comparative statement of Profit & Loss provides information about :

A. Rate of increase or decrease in revenue from operations

B. Rate of increase or decrease in cost of revenue from of operations

C. Rate of increase or decrease in net profit

D. All of the above

**Answer: D**

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**11.** Which analysis depicts the relationship between two figures :

A. Ratio Analysis

B. Trend Analysis

C. Cumulative figures and averages

D. Dividend Analysis

**Answer: A**

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**12.** In which analysis total cost are equal to total rrevenue from Operations :

A. Trend Analysis

B. Ratio Analysis

C. Break-Even Point Analysis

D. Fund Flow Statement Analysis

**Answer: C**

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**13.** Fixed assests of a company increased from Rs 3,00,000 to Rs. 4,00,000 . What the percentage of change ?

A. $25\%$

B. $33.3\ \%$

C. $20\ \%$

D. $40\ \%$

**Answer: B**

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**14.** A company's current liabilities decreased from Rs. 4,00,000 to Rs. 3,00,000 What is the percentage of change ?

A. $25\%$

B. $33.3\%$

C. $20\%$

D. $40\%$

**Answer: A**

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**15.** A company's working capital is Rs 10 lakh (Negative balance) in the year 2018. It became

Rs. 15 lakh (Positive balance ) in the year 2019 .

What is the percentage of change ?

A. $150\ \%$

B. $100\ \%$

C. $250\ \%$

D. $50\ \%$

**Answer: C**

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**16.** A company's Revenue from Operations are Rs. 20,00,000 , Cost of Revenue from Operations is Rs. 14,00,000 and indirect expenses are Rs. 2,00,000 . What is the amount of Gross Profit ?

A. Rs. 1800000

B. Rs. 400000

C. Rs. 800000

D. Rs. 600000

**Answer: D**

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**17.** Revenue From Operations Rs. 4,00,000 , Cost of Revenue from Operations 60% of Revenue from Operation, Operating expense Rs. 30,000 and rate of income tax is 40% . What will be amount of profit after tax?

A. Rs. 64,000

B. Rs. 78,000

C. Rs. 52,000

D. Rs. 96,000

**Answer: B**

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**18.** Revenue From Operations Rs. 8,00,000 , Gross Profit 32% , Indirect Exp. 10% of Gross Profit and income tax 40% . What will be the amount of profit after tax ?

A. Rs. 1,38,240

B. Rs. 1,02,400

C. Rs. 92,160

D. Rs. 1,53,600

**Answer: A**

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**19.** Revenue from Operations Rs. 4,00,000 , Cost of Revenue from Operations 60% of Revenue from Operation, indirect expenses

15% of Gross Profit, Income Tax 40% . Calculate net profit after tax.

A. Rs. 64,000

B. Rs. 54,400

C. Rs. 81,600

D. Rs. 96,000

**Answer: C**

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**20.** Payment of Income Tax is considered as

A. 1 - Direct Expenses

B. 2 - Indirect Expenses

C. 3 - Operating Expenses

D. 4 - None of the above

**Answer: B**

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**21.** Interest on Loans is

A. Direct Expenses

B. Indirect Expenses

C. Operating Expenses

D. None of the above

**Answer: B**

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**22.** Revenue from Operations less cost of Revenue froom Operations is called :

A. Net Profit

B. Operating Profit

C. Gross Profit

D. Total Profit

**Answer: C**

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**23.** Which objective is not fulfilled by comparative Statement of Profit & Loss :

A. To compare the items of Statement of Profit & Loss of two years

B. To know the absolute changes in items of Statement of Profit & Loss

C. To show the change in financial position

D. To know the percentage changes in items of Statement of Profit & Loss

**Answer: C**

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**24.** In Comparative statements change in different items is presented in the form of ..........................

A. Money Values

B. Percentages

C. Both Money Values Percentages

D. None of the above

**Answer: C**

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**25.** Which of the following is not a from of persenting financial analysis :

A. Absolute figure Comparison

B. Ratio Method

C. Cumulative figures and averages

D. Annual Report

**Answer: D**

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**26.** Which objective is not fulfilled by comparative financial statement :

A. Indicate the extent of change in assets and liabilities

B. Indicate the extent of change in items of Statement of Profit & Loss

C. Show effect of operative activities on assets and liabilities

D. Show the direction of change in assets and liabilities

**Answer: B**

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**27.** No profit no loss' point is called:

A. A - Fund flow point

B. B - Cash flow Point

C. C - Trend Analysis

D. D - Break Even Point

**Answer: D**

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**28.** Net profit is obtained by deducting .................. From Gross Profit.

A. Operating Expenses

B. Non-Operating Exp.

C. Operating and Non-Operating Exp.

D. None of the above

**Answer: C**

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**29.** Amount left after deducting gross profit from Revenue from Operations is generally :

A. Cost of Revenue from Operations

B. Material consumed

C. Opening Inventory+ Purchases -Closing Inventory

D. All of the above

**Answer: D**

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**30.** What is gross profit+ materials consumed ?

A. Purchases

B. Revenue from Operations

C. Opening Inventory

D. Closing Inventory

**Answer: B**

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