



## ACCOUNTS

### BOOKS - ARYA ACCOUNTS (HINGLISH)

### FINANCIAL STATEMENTS OF COMPANIES

Mcq

1. Balance sheet of a company is required to be prepared in the format given in .....

- A. Schedule III Part II
- B. Schedule III Part I
- C. Schedule III Part III

D. Table A

**Answer: B**

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2. As per companies Act, the Balance Sheet of a company is required to presented in .....

A. Horizontal Form

B. Vertical Form

C. Either Horizontal or Vertical Form

D. Neither of the above

**Answer: B**

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3. Which of the following is not required to be prepared under the Companies Act

- A. A - Statement of Profit and Loss
- B. B - Balance Sheet
- C. C - Report of Director's and Auditor's
- D. D - Funds Flow Statement

**Answer: D**



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4. According to prescribed order of assets in a Company's Balance Sheet ..... Assets should be shown first of all.

A. Non-Current Assets

B. Current Assets

C. Current Investments

D. Loans and Advances

**Answer: A**



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5. In a Company's Balance Sheet ..... Appear under the head 'non-current assets'.

A. Goodwill

B. Patents

C. Vehicles

D. All of the above

**Answer: D**



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6. Calls in Arrears appear in a Company's Balance Sheet under

.....

- A. Reserve & Surplus
- B. Shareholder's Funds
- C. Contingent Liabilities
- D. Short-term Borrowings

**Answer: B**



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7. Calls in advance appear in a Company's Balance Sheet under

.....

- A. Share Capital
- B. Current Liability
- C. Long-term Borrowings
- D. Reserve & Surplus

**Answer: B**



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8. Short-term Borrowings appear in a Company's Balance Sheet

under the head .....

- A. Current Assets
- B. Current Liabilities
- C. Non-Current Liabilities
- D. Non-Current Assets

**Answer: B**



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**9. Fixed Deposits appear in a Company's Balance Sheet under :**

- A. Current Assets
- B. Current Liabilities
- C. Long-term Provisions
- D. Long-term Borrowings

**Answer: D**



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**10.** Goodwill appears in a Company's Balance Sheet under the Sub-head .....

- A. Unamortized Assets
- B. Non-Current Investment
- C. Intangible Assets
- D. Tangible Assets

**Answer: C**



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11. Share Forfeiture Account appears in a Company's Balance Sheet under the Sub-head .....

- A. Share Capital
- B. Reserve & Surplus
- C. Contingent Liability
- D. Commitments

**Answer: A**



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12. Expenses allowed on issue of Shares appears in a Company's Balance Sheet under:

- A. Share Capital

B. Current Liability

C. Unamortized Expenditure

D. Contingent Liability

**Answer: B**



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**13.** Securities Premium Reserve appears in a Company's Balance Sheet under :

A. Share Capital

B. Long-term Provision

C. Short-term Provision

D. Reserve & Surplus

**Answer: D**



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**14.** Prepaid Expenses appear in a Company's Balance Sheet under the Sub-head .....

- A. Other Current Assests
- B. Short-term Loan & Advances
- C. Intangible Assets
- D. Other Non-Current Assets

**Answer: A**



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15. .... Appear in a Company's Balance Sheet under the Sub-head Short-term Provision

- A. Interest Accrued but not due on Borrowings
- B. Provision for Tax
- C. Unpaid Dividend
- D. Calls in Advance

**Answer: B**



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16. Provision for Tax appears in a Company's Balance Sheet under the Sub-head.....

- A. Short-term Provisions

B. Reserves and Surplus

C. Long-term Provisions

D. Other Current Liabilities

**Answer: A**



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**17.** Bills Receivables appear in a Company's Balance Sheet under the Sub-head .....

A. Current Investments

B. Cash Equivalents

C. Trade Receivables

D. Short term Loans and Advances

**Answer: C**



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**18.** Trade Investments appear in a Company's Balance Sheet under the Sub-head .....

- A. Current Investments
- B. Non-Current Investment
- C. Intangible Assets
- D. Short term Loans and Advances

**Answer: B**



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19. Claims against the Company not acknowledged as debts' is shown under the head .....

- A. Current Liabilities
- B. Non-Current Liabilities
- C. Commitments
- D. Contingent liabilities

**Answer: D**



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20. Unclaimed dividend appears in a Company's balance Sheet under the Sub-head .....

- A. Short-term Borrowings

B. Trade Payables

C. Other Current Liabilities

D. Short-term Provisions

**Answer: C**



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**21.** Interest accrued and due on debentures appear in a Company's Balance Sheet under the Sub-head .....

A. a - Short-term Borrowings

B. b - Trade Payables

C. c - Other Current Liabilities

D. d - Short-term Provisions



**Answer: C**



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**22.** Interest accrued but not due on loans appear in a Company's Balance Sheet under the Sub-head .....

- A. Short-term Borrowings
- B. Trade Payables
- C. Other Current Liabilities
- D. Short-term Provisions

**Answer: C**



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23. 6% Debentures appear in a Company's Balance Sheet under the Sub-head .....

- A. Long-term Provisions
- B. Long term Borrowings
- C. Other Current Liabilities
- D. Other Long-term Liabilities

**Answer: B**



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24. Interest accrued on Investments appear in a Company's Balance Sheet under the Sub-head .....

- A. Non-Current Investments

B. Current Investments

C. Other Current Assets

D. Other Non-Current Assets

**Answer: C**



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25. Accumulated Dividend Arrears' on preference shares is shown in the Company's Balance Sheet as :

A. Current Liability

B. Contingent Liability

C. Commitments

D. Short-term Provisions

**Answer: C**



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**26.** 50,000, 9% Debentures redeemable within 12 months of the date of Balance Sheet will be shown under :

- A. Short-term Borrowings
- B. Short-term Provision
- C. Other Current Liability
- D. Trade Payables

**Answer: C**



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27. Which one of the following is Commitment ?

- A. Proposed Dividend
- B. Interim Dividend
- C. Unpaid/Unclaimed Dividend
- D. Dividend Arrears on Cumulative Preference Shares

**Answer: D**



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28. Which of the following items is shown under the head 'Current Asset' while preparing the Balance Sheet of a company ?

- A. Trade Investment

B. Underwriting Commission

C. Inventories

D. Livestock

**Answer: C**



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**29.** Which preparing the Balance Sheet of a company

'Underwriting Commission' is shown under which head ?

A. Unamortized Expenditure

B. Current Assets

C. Non-Current Assets

D. Current Liability

**Answer: A**



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30. which of the following items is shown under the head 'Current Liabilities' while preparing the Balance Sheet of a company?

- A. Securities Premium Reserve
- B. Debentures
- C. Livestock
- D. None of the above

**Answer: D**



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**31.** while preparing the Balance Sheet of a company 'Securities Premium' is shown under :

- A. Current Liability
- B. Share Capital
- C. Long-term Borrowings
- D. None of the above

**Answer: D**



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**32.** Which of the following items is shown under the head 'Non-Current Assets' while preparing the Balance Sheet of a company?



A. Underwriting Commission

B. Current Investments

C. Inventory

D. Patents

**Answer: D**



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**33.** Under which hedging the item 'Bills Discounted but not yet matured' will be shown in the Balance Sheet of a company?

A. Current Liability

B. Current Assets

C. Contingent Liabilities

## D. Unamortized Expenditure

**Answer: C**



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**34.** Which one of the following items is shown under the heading 'current liabilities' in the Balance Sheet of a company?

- A. Investments
- B. Reserve Funds
- C. Unclaimed Dividend
- D. Livestock

**Answer: C**



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**35.** While preparing the Balance Sheet of a Company which item is shown under the head 'Long term Borrowings' ?

- A. 6% Debentures
- B. Security Premium Reserve
- C. Trade Payables
- D. None of the above

**Answer: A**



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**36.** Share Capital of a Company consists of 5,00,000 Shares of Rs. 10 each, Rs. 8 called up. All the shareholders have duly paid the called up amount. Share capital will be shown as :

- A. Subscribed and Fully Paid
- B. Subscribed but not fully paid
- C. Any of the above
- D. None of the above

**Answer: B**



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**37.** A Company has issued 2,00,000 Equity Shares of Rs. 10 each and it has called the entire nominal value of the share. It has received the entire amount except final call of Rs. 3 per share on 5,000 shares. Subscribed Capital will be shown as follows :

A.

Subscribed and fully paid

2,00,000 Equity Shares of Rs. 10 each      20,00,000

Less : Call in Arrears                                      15,000                      19,85,000

B.

Subscribed but not fully paid

2,00,000 Equity Shares of Rs. 10 each      20,00,000

Less : Call in Arrears                                      15,000                      19,85,000

C.

Subscribed and fully paid

1,95,000 Equity Shares of Rs. 10 each                                      19,50,000

Subscribed but not fully paid

5,000 Equity Shares of Rs. 10 each                                      50,000

Less : Call in Arrears                                      15,000                      35,000

19,85,000

D. Can be Shown as (B) or as (C)

**Answer: C**



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**38. Change in Inventories means :**

- A. Difference between Opening Inventories and Closing Inventories
- B. Difference between Closing Inventories and Opening Inventories
- C. Difference between Opening Inventories and Closing Inventories, if Opening Inventories are higher
- D. Difference between Closing Inventories and Opening Inventories, if Closing Inventories are higher.

**Answer: A**



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