

Laxmibai Sitaram Halbe College, Dodamarg

Class: S.Y.Bcom

Sub: Accountancy and Financial Management

Semester :IV

Questions Bank

1. Finance is required on _____ basis
 - a) Different
 - b) Separate
 - c) Continuous
 - d) Random
2. Financial management is management of _____.
 - a) Finance
 - b) Investment
 - c) Dividend
 - d) Interest
3. The objective of financial management is _____ maximization
 - a) Profit
 - b) Inverse
 - c) Direct
 - d) Charity
4. Finance is the _____ of an organisation
 - a) Investment
 - b) Life blood
 - c) Interest
 - d) Competing
5. Financial management is concerned with_____
 - a) Maximization of products
 - b) Maximization of wealth
 - c) Maximization of welfare
 - d) Acquisition of market
6. Finance deals with_____
 - a) Acquisition of funds
 - b) Acquisition of manpower
 - c) Acquisition of market
 - d) Acquisition of Raw materials
7. Objective of financial management is_____
 - a) To maximize profit
 - b) To maximize sales
 - c) To maximize production
 - d) To maximize power
8. Financial objective of a firm is_____

- a) To increase return on investment
 - b) To increase efficiency of organisation
 - c) To increase loyalty of the employees
 - d) To maximize power
9. One of the following _____ is not a function of finance
- a) Investment
 - b) Dividend
 - c) Financing
 - d) Production
10. EPS stands for _____
- a) Expenses per share
 - b) Earning per share
 - c) Earning per stock
 - d) Earning per saving
11. Operational information is obtained from _____ sources
- a) External
 - b) Top
 - c) Internal
 - d) Middle
12. Strategic information is required by _____ managers.
- a) Bottom
 - b) Middle
 - c) Top
 - d) External
13. Tactical information is required by _____ managers
- a) Top
 - b) Middle
 - c) Bottom
 - d) External
14. Operational information is required by _____ managers.
- a) Middle
 - b) Top
 - c) All
 - d) Line
15. _____ are users of management accounting information
- a) Creditors
 - b) Managers
 - c) Shareholders
 - d) Governments
16. Focus is management accounting is on _____.
- a) Tax planning
 - b) Internal reporting
 - c) External reporting
 - d) Market research

17. Strategic information is used by _____ managers.
- Middle
 - Senior
 - Lower
 - Creditors
18. Strategic information is required for _____ planning.
- Day to day operations
 - Meeting government requirements
 - Long range planning
 - General planning
19. Financial account deals with _____
- Determination of cost
 - Determination of profit
 - Determination of prices
 - Common size statement
20. Inter firm and inter period comparison are made with the help of _____.
- Comparative stage
 - Common size statement
 - Trend analysis
 - Cash flow statement
21. The term Financial statement refers to _____.
- Capital
 - Only balance sheet
 - Fixed assets
 - Total liabilities
22. Owners funds are equal to _____.
- Capital+reserve& surplus
 - Fixed assets
 - Total liabilities
 - Capital+reserve& surplus+loan funds
23. _____ is not quick Assets
- Stock
 - Bills receivable
 - Cash
 - Bank
24. In _____ year 1 is taken as the base year & figure of all the years compared to base year.
- Comparative statement
 - Common size statement
 - Trend analysis
 - Cash flow statement
25. Internal analysis of financial statement is done by _____.
- Potential investors
 - Owners or manager
 - Creditors or lenders

- d) Government
26. Debenture holders are the _____ of the company
- a) owners
 - b) customers
 - c) creditors
 - d) partners
27. Dividends are usually paid as a percentage of _____
- a) authorized capital
 - b) net profit
 - c) paid up capital
 - d) called up capital
28. Debentures can be issued only _____
- a) at par
 - b) at discount
 - c) premium
 - d) At par or Premium or discount
29. The maximum amount beyond which a company is not allowed to raise funds, by issue of shares is _____
- a) Issued capital
 - b) Called up capital
 - c) Paid up capital
 - d) Authorized capital
30. Shares can be issued by a public company through _____
- a) Public offer only
 - b) Private placement only
 - c) Bonus issue only
 - d) Public offer/ Private placement/ Bonus issue
31. In the balance sheet of a company, Debentures Account is shown under _____
- a) Share Capital
 - b) Long Term Loans
 - c) Unsecured Loan
 - d) Current Liabilities
32. When preference shares are redeemable at premium, premium on redemption is debited to _____.
- a) Premium on Redemption Account
 - b) General Reserve Account
 - c) Profit & Loss Account
 - d) Security Premium Account
33. The amount utilised for redemption of preference shares is _____.
- a) Proceeds of fresh issue of equity shares
 - b) Proceeds of issue of debentures

- c) Proceeds of Fixed deposits
- d) Proceeds of sale of investment

34. The following account cannot be used for creation of Capital Redemption

Reserve_____.

- a) Unclaimed dividend A/c
- b) Profit and Loss A/c
- c) General Reserve A/c
- d) Dividend Equalisation Reserve A/c

35. The following profit does not part of divisible profits_____.

- a) Workmen compensation fund
- b) Dividend equalization Reserve
- c) Revaluation Reserve
- d) General Reserve

36. A Company cannot issue _____.

- a) Redeemable cumulative Preference shares
- b) Redeemable non- cumulative preference shares
- c) Redeemable participating preference shares
- d) Irredeemable preference share Reserved

37. A company can issue redeemable preference shares _____.

- a) At par
- b) At discount
- c) At premium
- d) At par, discount and premium

38. Amount transferred to Capital Redemption Reserve in case of redemption of preference shares by conversion into equity shares will be_____.

- a) Equal to face value of equity shares
- b) Equal to face value of preference shares
- c) Nil
- d) Difference between

39. 7 As per Company Act, 2013 the company is required to create Debentures redemption reserve equal to _____.

- a) 100% of the issue price of the debentures
- b) 25% of the issue price of the debentures
- c) 20% of the issue price of the debentures
- d) 10% of the issue price of the debenture

40. _____ is credited to provide fund for redemption of debentures as and when they become due for redemption.

- a) Investment Fluctuation Reserve
- b) Sinking Fund
- c) Dividend Equalization Reserve
- d) Debentures Redemption Reserve

41. Under redemption by _____, debentures can also be redeemed by converting them into shares or new debentures.

- a) Purchase
- b) Conversion
- c) Payment in lump sum
- d) Payment

42. The method in which all the debentures are redeemed on the redemption date specified in the terms of issue, i.e., on their maturity is known as _____

- a) Redemption in Lumpsum
- b) Redemption by Draw of Annual Lots
- c) Redemption in instalments
- d) Redemption by Conversion

43. Debenture Redemption Reserve account is shown on which side of the balance sheet _____

- a) None
- b) Assets
- c) Liabilities
- d) Not to be shown

44. X Ltd. issued 1,000, 12 percent debentures of Rs.100 each at par. These debentures are redeemable at 10 percent premium at the end of 4 years. By what amount debenture holder account should be debited while making payment to them _____

- a) s.1,00,000
- b) Rs.1,20,000
- c) Rs.1,10,000

d) Rs.90,000

45. Discount received from creditors and carriage inwards should be divided in pre and post incorporation periods in _____

- a) Sales ratio
- b) Purchase ratio
- c) Adjusted time ratio
- d) Pre-incorporation period

46. The two important ratios in the calculation of pre-incorporation profits are _____ and _____

- a) Gross and net
- b) Net and sales
- c) Income and sales
- d) Time and sales

47. Post incorporation profit should be taken as _____ profit

- a) Sales
- b) Net
- c) Revenue
- d) Capital

48. Loss prior to incorporation is to be shown in the assets side of the balance sheet under the heading _____

- a) Reserves and surplus
- b) Paid up capital
- c) Miscellaneous expenditure
- d) Called up expenditure

49. When expenses remain constant overall the financial year they can be divided in _____.

- a) Time ratio
- b) Sales ratio
- c) Purchase ratio
- d) Gross Profit ratio

50. Capital profit must be transferred to _____.

- a) Capital reserve a/c
- b) Realisation a/c

- c) Profit & loss a/c
- d) Revaluation a/c

51. After the incorporation of a company all profits or losses are transferred to _____ a/c.

- a) Trading
- b) Revaluation
- c) Profit & loss appropriation
- d) Realisation

52. As per Rule 9 of Companies (Share Capital & Debentures) Rules 2014 issue of preference shares must be authorised by a _____.

- a) Special resolution in the general meeting
- b) Special resolution in the Board meeting
- c) Ordinary resolution in the general meeting
- d) Annual meeting

53. Following reserve is not available for redemption of preference shares _____.

- a) General Reserve
- b) Profit & Loss Account
- c) Dividend Equalisation Reserve
- d) Investment Allowance Reserve

54. Securities premium can be used for issue of bonus shares if it is realised in cash in the case of _____.

- a) Listed companies
- b) Unlisted companies .
- c) One person company
- d) Unauthorised company

55. Capital Redemption Reserve can be used for _____.

- a) Payment of interim dividend
- b) Writing off accumulated losses
- c) Issue of fully paid bonus shares
- d) Payment of final dividend

56. A company cannot issue redeemable preference shares for a period exceeding _____.

- a) 5 Years
- b) 7 year
- c) 20 Years
- d) D. 25 Years