

# **MGT101 80+ FINAL TERM MCQS SPRING 2025**

## **BY BRAINY SQUAD**

### **Question No: 1 ( Marks: 1 ) - Please choose one**

**It is supposed that on 31<sup>st</sup> December, 2007, the sundry debtors are amounted to Rs. 40,000. On the basis of past experience, it is estimated that 10% of the sundry debtors are doubtful. Actual bad debts are Rs. 1600. What amount of new provision for doubtful debts will be credited in profit & loss account**

- ▶ Rs. 3,600
- ▶ **Rs. 4,000 correct**
- ▶ Rs1,600
- ▶ Rs.2,400

### **Question No: 2 ( Marks: 1 ) - Please choose one**

**Mr. A & B entered into a partnership with an equal investment and equal share in profit or loss. Markup on capital of Mr. A is Rs.2,500 and mark-up on drawings of Mr. B is Rs.2,800. The net income for the year is Rs.95,000. What will be the amount of distributable profit?**

- ▶ Rs.89, 700
- ▶ Rs.94, 700
- ▶ **Rs.95,300**
- ▶ Rs.100,300

### **Question 3 ( Marks: 1 ) - Please choose one**

**Mr. A & B entered into a partnership invested Rs.50,000 and Rs.65,000 with an equal share in profit or loss. Markup on drawings of Mr. A is Rs.1,500 and of Mr. B is Rs.1,800. The net income for the year is Rs.85,000. What will be the profit share of Mr. B?**

- ▶ Rs.42,350
- ▶ **Rs.44,150**
- ▶ Rs.41,600
- ▶ Rs.40,850

### **Question No: 4 ( Marks: 1 ) - Please choose one**

**Mr. A & B entered into a partnership invested Rs.50,000 and Rs.65,000 with an equal share in profit or loss. Markup on capital of Mr. A is Rs.2,000 and markup on drawings of Mr. B is Rs.3,000. The net income for the year is Rs.85,000. What will be the profit share of Mr. B?**

- ▶ Rs.40,000
- ▶ **Rs.43,000**
- ▶ Rs.130,000
- ▶ Rs.133,000

**Question 5 ( Marks: 1 ) - Please choose one**

**Accumulated depreciation is a \_\_\_\_\_ account?**

- ▶ Fixed asset
- ▶ Current asset
- ▶ **Contra asset**
- ▶ Liability

**Question No: 6 ( Marks: 1 ) - Please choose one**

**Which of the following statement is not true regarding the objective of statement of cash flows?**

- ▶ It is helpful for decision making by management
- ▶ **It is used for reporting the net profit of the period**
- ▶ It can be used for estimations for cash flows in future
- ▶ It is used to determine the liquidity of the business

**Question No: 7 ( Marks: 1 ) - Please choose one**

**Short term investments in marketable securities and treasury bills that will mature within ninety days from the date of acquisition, must be classified as:**

- ▶ Receivables
- ▶ Receipts from Capital
- ▶ Current and intangible assets
- ▶ **Cash equivalents**

**Question No: 8 ( Marks: 1 ) - Please choose one**

**Which of the following is an example of cash outflow for a company?**

- ▶ Cash collected from customers
- ▶ **Cash paid for merchandise inventory**
- ▶ Writing off an uncollectible accounts receivable
- ▶ Reclassifying accounts payable to notes payable

**Question No: 9 ( Marks: 1 ) - Please choose one**

**When the capitals are fixed, which of the following account will be debited for drawings made by a partner?**

- ▶ **Individual Partner's Current Account**
- ▶ Partner's Cash Account
- ▶ Partner's Bank Account
- ▶ Partners Capital Account

**Question No: 10 ( Marks: 1 ) - Please choose one**

**In Income Statement, both beginning inventory and ending inventory appear in the section of:**

- ▶ **Cost of goods sold**
- ▶ Indirect cost
- ▶ Selling cost
- ▶ Factory over head cost

**Question no.11 ( Marks: 1 ) - Please choose one**

**XYZ Company has paid up capital of 20,000 shares of Rs. 100 each. The company offers to existing shareholders the right to buy 3 shares of Rs. 100 each at Rs. 125 for every 5 shares held. What would be the number of right shares?**

- ▶ 120 right shares
- ▶ **12,000 right shares**
- ▶ 15,000 right shares
- ▶ 25,000 right shares

**Question No: 12 ( Marks: 1 ) - Please choose one**

**Which of the following is an example of Cash flow from operating activities?**

- ▶ Cash payment to acquired fixed assets
- ▶ Issuing stock
- ▶ Cash collection as a result of machinery sold
- ▶ **Cash payment to suppliers for goods and services**

**Question No: 13 ( Marks: 1 ) - Please choose one**

**Which of the following statement is TRUE about the Accounts receivable?**

- ▶ Accounts receivable arises when a company buys goods or services from another party on credit
- ▶ **Accounts receivable is a miscellaneous category that may include loans to employees**
- ▶ Accounts receivable are more formal than notes receivable
- ▶ Accounts receivable are often called trade receivables

**Question No: 14 ( Marks: 1 ) - Please choose one**

**In cash flow statements, which of the following would appear as a cash outflow?**

- ▶ **The payments for purchases made during the year**
- ▶ A decrease in trade debtors over the course of an accounting period
- ▶ Money received as a result of issuing new shares
- ▶ Money received as result of selling fixed assets

**Question No: 15 ( Marks: 1 ) - Please choose one**

**The beginning balance of retained earnings was Rs. 7,500. The dividends paid to stockholders' were Rs.1, 500. The ending balance of retained earnings is Rs. 5,000. What was the net income or net loss for the accounting period?**

- ▶ **Net loss of Rs.1, 000**
- ▶ Net income of Rs. 1,000
- ▶ Net loss of Rs. 2,000
- ▶ Net income of Rs. 2,500

**Question No: 16 ( Marks: 1 ) - Please choose one**

**Which one of the following cost is NOT attributable to the fixed assets?**

- ▶ Costs of site preparation
- ▶ **Administration and other general overhead cost**

- ▶ Initial delivery and handling charges
- ▶ Installation and assembly costs

**Question No: 17 ( Marks: 1 ) - Please choose one**

**A company is said to have been registered when:**

- ▶ **It gets certificate of incorporation from registrar of Companies**
- ▶ It gets certificate of commencement of business from registrar of Companies
- ▶ It actually starts its business
- ▶ It filed with the Registrar of Companies certain documents, like memorandum and articles of association

**Question No: 18 ( Marks: 1 ) – Please choose one**

**Notes to the accounts explain which of the followings**

- ❖ Nature of business of the company
- ❖ Accounting Policies of the company
- ❖ **Details and explanation of items given in the Profit and Loss Account and Balance Sheet**
- ❖ All of the given options

**Question No: 19 ( Marks: 1 ) – Please choose one**

**Cash flow from operating activities is generated from:**

- ❖ The cash receipts and payments that arise from Fixed and Long Term assets of the organization.
- ❖ **Cash generated from daily operations of organization**
- ❖ The cash receipts and payments that arise from Owners of the business and other long term liabilities of the organization
- ❖ None of the given options

**Question No: 20 ( Marks: 1 ) – Please choose one**

<b>Particulars</b>	<b>Rs.</b>
<b>Debentures</b>	<b>1, 50,000</b>
<b>Equity Capital</b>	<b>2, 00,000</b>
<b>General Reserve</b>	<b>90, 000</b>
<b>Accumulated profit</b>	<b>60,000</b>

**What is debt equity ratio ?**

- ❖ 15: 20 (or 3:4)
- ❖ 15:24 (or 5: 8)
- ❖ 15:29
- ❖ **15:35 (or 3: 7)**

Question No: 21 ( Marks: 1 ) – Please choose one

**In which situation(s) Partnership is dissolved?**

- ❖ In case of death of partner
- ❖ At the admission of new partner
- ❖ If any partner resigned from partnership
- ❖ **All of the given options**

Question 22 ( Marks: 1 ) – Please choose one

**Depreciation arises because of:**

- ▶ Fall in the market value of an asset
- ▶ Fall in the value of money
- ▶ **Physical wear and tear**
- ▶ All of the given options

Question No: 23 ( Marks: 1 ) – Please choose one

**Which one of the following is equal to the carrying cost of an asset?**

- ▶ **Original cost minus Accumulated depreciation**
- ▶ Original cost plus Accumulated depreciation
- ▶ Original cost minus Residual value
- ▶ Written down value minus Accumulated depreciation

Question No: 24 ( Marks: 1 ) – Please choose one

**Which of the following is an example of operating expense?**

- ▶ Purchasing operating equipment
- ❖ **Purchasing cleaning services**
- ▶ Purchasing an investment in another company

- ▶ Purchasing a computer for the accounting office

Question No: 25 ( Marks: 1 ) – Please choose one

**The amount of share premium can be utilized EXCEPT:**

- ▶ To write off preliminary expenses
- ▶ **To meet the expenses of issue of shares**
- ▶ To distribute among the shareholders
- ▶ To issue bonus shares

Question No: 26 ( Marks: 1 ) – Please choose one

**A company pays cash to purchase the stock of another company in an unrelated Industry. The cash outflow can be considered as an:**

- ▶ Operating activity that will appear on the statement of cash flows
- ▶ Operating activity that will not appear on the statement of cash flows due to the Fact of stock from a company in an unrelated industry
- ▶ **Investing activity that will appear on the statement of cash flows**
- ▶ Investing activity that will not appear on the statement of cash flows due to the Fact of stock from a company in an unrelated industry

Question No: 27 ( Marks: 1 ) – Please choose one

**Which of the following is TRUE about capital receipt?**

- ▶ **It decreases value of property or increases value of liability**
- ▶ It is shown in the income and expenditure account
- ▶ it is recurring in nature
- ▶ It is not shown in the statement of financial positions

Question No: 28 ( Marks: 1 ) – Please choose one

**A private limited company can commence its business:**

- ▶ **Immediately on receiving a certificate of incorporation**
- ▶ Without receiving a certificate of incorporation
- ▶ Only when it receives certificate of commencement of business
- ▶ Only when it receives both, the certificate of incorporation as well as certificate of Commencement of business

Question No: 29 ( Marks: 1 ) – Please choose one

The persons who sign articles and memorandum of the company and contribute in the Initial share capital of the company are called:

- ▶ **Subscribers**
- ▶ Shareholders
- ▶ Managers
- ▶ Directors

Question No: 30 ( Marks: 1 ) – Please choose one

**Find out the missing value of an Accounting Equation with the help of given data:**

Cash Rs.	22,500
Debtors Rs.	500
Total Assets Rs.	80,385
Accounts payable Rs.	1,000
Total liabilities Rs.	20,000

- ▶ **Rs. 60,385 owner's equity**
- ▶ Rs. 61,385 owner's equity
- ▶ Rs. 99,885 owner's equity
- ▶ Rs. 99,385 owner's equity

Question No: 31 ( Marks: 1 ) – Please choose one

**Identify that which of the following particular(s) would NOT be shown in the format of a Cash Book?**

- (1) **Cheque number**
- (2) **Date of transaction**
- (3) **Amount of transaction**

- ▶ **(1) only**
- ▶ (1) & (2) only
- ▶ (1) & (3) only
- ▶ (2) & (3) only

Question No: 32 ( Marks: 1 ) – Please choose one

**Economic resources owned by a business and expected to benefit for the future Operations are called:**

- ▶ Expenses
- ▶ Assets
- ▶ Capital
- ▶ Liabilities

**Question No: 33 ( Marks: 1 ) – Please choose one**

**If the cost of sales is Rs. 60,000, sales are Rs. 95,000 and operating expenses are Rs. 20,000 during the year, what would be the value of Gross Profit?**

- ▶ Rs. 15,000
- ▶ **Rs. 35,000**
- ▶ Rs. 55,000
- ▶ Rs. 60,000

**Question No: 34 ( Marks: 1 ) – Please choose one**

**What would be the value of total factory cost, if the cost of material consumed during the Month is Rs. 6,000, labor cost incurred is Rs. 2,000 and the factory over head cost is Rs. 2,500?**

- ❖ Rs. 6,000
- ❖ Rs. 8,000
- ❖ 45,00
- ❖ **10,500**

**Question No: 35 ( Marks: 1 ) – Please choose one**

**Following information are extracted from books of Mr. XYZ**

**Particulars Rs.**

**Closing value of stock 40,000**

**Write off Bad debts (given in adjustments) 2,400**

**Sundry Debtors (given in trial balance) 33,200**

**Provision is created on Debtors at 10%**

**Identify the Total amount deducted from Sundry debtors.**

- ▶ Rs. 460
- ▶ Rs. 2,400
- ▶ **Rs. 3,080**

▶ **Rs. 5,480**

Question No: 36 ( Marks: 1 ) – Please choose one

**A financial statement that indicates the success or failure of a business, over a period of Time is called:**

- ▶ A cash flow statement
- ▶ A retained earnings statement
- ▶ **An income statement**
- ▶ A balance sheet

Question No: 37 ( Marks: 1 ) – Please choose one

**When closing stock is given in trial balance, then it will effect:**

- ▶ Trading account only
- ▶ **Balance sheet only**
- ▶ Owner's equity only
- ▶ Both Trading account and Balance sheet

Question No: 38 ( Marks: 1 ) – Please choose one

**A firm may earn profit during an accounting period but have less money in the bank at The end of the period then it had at the beginning. Which of the followings, on its own, Could explain this?**

- ▶ Not paying invoices received from creditors
- ▶ The sale of fixed assets during the period
- ▶ **An increase in trade debtors over the course of the period**
- ▶ An increase in the depreciation charge relative to the previous accounting period

Question no: 39 ( Marks: 1 ) – Please choose

**What is the reason that some short term creditors prefer quick ratio over current ratio as a Measure of short-term liquidity?**

- ▶ **Short operating cycle of the company**
- ▶ Long operating cycle of the company
- ▶ Liquidity is not affected by operating cycle
- ▶ It is the creditor's choice

Question No: 40 ( Marks: 1 ) – Please choose one

**The amount of prepaid insurance that expired in the current accounting period should be Reported as \_\_\_\_\_.**

- ▶ Prepaid insurance
- ▶ **Insurance expense**
- ▶ Insurance payable
- ▶ Insurance paid

Question No: 41 ( Marks: 1 ) – Please choose one

**Which of the following statement is correct? If a company fails to record estimated bad Debts expense,**

- ▶ Net realizable value is understated
  - **Expenses are understated**
- ▶ Revenues are understated
- ▶ Receivables are understated

Question No: 42 ( Marks: 1 ) – Please choose one

**Which of the following is not a cause of difference in balances as per pass book and cash Book?**

- ▶ Error in cash book
- ▶ Error in pass book
- ▶ **Direct deposit**
- ▶ Un credited cheques

**Question No: 43 ( Marks: 1 ) – Please choose one**

**Particulars**

**Nominal value of each share Rs.10**

**No of shares issued 10,000 shares**

**Net profit Rs. 20,000**

**Dividend paid 10%**

**What is the EPS**

- ▶ Rs. 1.00
- **Rs. 2.00**
- ▶ Rs. 3.00

▶ Rs. 4.00

Question No: 44 ( Marks: 1 ) – Please choose one

**Which of the following is (are) NOT example(s) of distributable profit?**

- ▶ None of the given options
- ▶ general reserve
- ▶ Accumulated profit and loss (credit balance)
- ▶ **Revaluation reserves**

Question No: 45 ( Marks: 1 ) – Please choose one

**If Bad Debts written off are given in adjustment, then which of the following entry for Bad debts written off is CORRECT?**

- ▶ Bad debts a/c (Dr) and Trading a/c (Cr)
- ▶ Provision for Bad and Doubtful debts a/c (Dr) and Bad debts a/c(Cr)
- ▶ **Bad debts a/c (Dr) and debtors a/c (Cr)**
- ▶ Trading a/c (Dr) and Bad debts a/c (Cr)

Question No: 46 ( Marks: 1 ) – Please choose one

**Consider the following data:**

**Provision created in 2006. Rs. 2,500**

**Bad debts in 2007 Rs. 1,500**

**Sundry debtors on 31-12- 2007 were Rs. 40,000 and provision is created @ 5%.**

**Which journal entry is Correct for the provision for doubtful debts for the year 2007.**

- ▶ Provision for doubtful debts a/c Rs. 1,000 (Dr) & Profit & Loss a/c Rs. 1,000 (Cr)
- ▶ **Profit & Loss a/c Rs. 2,000 (Dr) & Provision for doubtful debts a/c Rs. 2,000 (Cr)**
- ▶ Provision for doubtful debts a/c Rs. 2,000 (Dr) & Profit & Loss a/c Rs. 2,000 (Cr)
- ▶ Profit & Loss a/c Rs. 1,000 (Dr) & Provision for doubtful debts a/c Rs. 1,000 (Cr)

Question No: 47 ( Marks: 1 ) – Please choose one

**Which of the following is shown on credit side of creditors control account?**

- ▶ Bills Receivable
- ▶ **Return inwards**

- ▶ Credit purchases
- ▶ Discount allowed

Question No: 48 ( Marks: 1 ) – Please choose one

**The Primary objective of providing depreciation is:**

- ▶ **To calculate true profit**
- ▶ To show the asset on market value
- ▶ To reduce tax Burdon
- ▶ To provide funds for replacement

Question No: 49 ( Marks: 1 ) – Please choose one

**Which of the following summarizes the cash movements during a specified period?**

- ▶ Trading account
- ▶ Profit & Loss account
- ▶ **Receipts & Payments account**
- ▶ Balance Sheet

Question No: 50 ( Marks: 1 ) – Please choose one

**Sanders Construction sold a plant asset that originally cost Rs.80,000 for Rs.52,000 cash. If Sanders correctly reports a Rs.5,000 gain on this sale, the accumulated depreciation on The asset at the date of sale must have been:**

- ▶ Rs.23,000
- ▶ Rs.28,000
- ▶ **Rs.33,000**
- ▶ Some other amount

Question No: 51 ( Marks: 1 ) – Please choose one

**A company is said to have been registered when:**

- ▶ **It gets certificate of incorporation from registrar of Companies**
- ▶ It gets certificate of commencement of business from registrar of Companies
- ▶ It actually starts its business

▶ It filed with the Registrar of Companies articles certain documents, like Memorandum and articles of association

Question No: 52 ( Marks: 1 ) – Please choose one

**In Income Statement, both beginning inventory and ending inventory appear in the Section of:**

- ▶ **Cost of good sold**
- ▶ Indirect cost
- ▶ Selling cost
- ▶ Factory over head cost

Question No: 53 ( Marks: 1 ) – Please choose one

**The Primary objective of providing depreciation is:**

- ▶ **to calculate true profit**
- ▶ To show the asset on market value
- ▶ To reduce tax Burdon
- ▶ To provide funds for replacement

Question No: 54 ( Marks: 1 ) – Please choose one

**Which of the following value of the share is authorized by the memorandum of Association?**

- ▶ Par value
- ▶ Face value
- ▶ Nominal value
- ▶ **All of the given options**

Question No: 55 ( Marks: 1 ) – Please choose one

**Which of the following is one of the major factors affecting the market value of a Company's shares?**

- ▶ Current ratio
- ▶ **Earning per share**
- ▶ Return on investment
- ▶ Return on asset

Question No: 56 ( Marks: 1 ) – Please choose one

**Deferred revenues will become revenue when they are:**

- ▶ Realized
- ▶ **Earned**
- ▶ Incurred
- ▶ Paid

Question No: 57 ( Marks: 1 ) – Please choose one

**Mr. A & B entered into a partnership with an equal share in profit or loss. The agreement Provides that Mr. A will receive Rs.10,000 and Mr. B will receive Rs.8,000 as salary Allowance. The net income for the year is Rs.85,000. What will be the total share of Mr. B?**

- ▶ Rs.52,500
- ▶ Rs.42,500
- ▶ **Rs.41,500**
- ▶ Rs.50,500

Question No: 58 ( Marks: 1 ) – Please choose one

**Adjusting costs are reported as:**

- ▶ Revenues
  - Asset
- ▶ **Expenses**

Question No: 59 ( Marks: 1 ) – Please choose one

**Which of the following is also affected when an adjusting entry is passed to accrue an Incurred expense?**

- ▶ Total assets
- ▶ **Total liabilities**
- ▶ Current assets
- ▶ Total income

Question No: 60 ( Marks: 1 ) – Please choose one

The statement of changes in equity basically shows the movement of:

- ▶ share capital during the year
- ▶ Capital reserves during the year
- ▶ Revenue Reserves during the year
- ▶ **All of the given options**

Question No: 61 ( Marks: 1 ) – Please choose one

In statement of cash flows, interest payment made on loan from bank is related To:

- ▶ Investing activity
- ▶ **Financing activity**
- ▶ Operating activity
- ▶ Net changes in working capital

Question No: 62 ( Marks: 1 ) – Please choose one

**Which of the following financial statement is helpful for the investors and Creditors to assess the cash and non cash aspects of operating, investing and Financing transactions on an entity's financial position?**

- ▶ Balance Sheet
- ▶ Income Statement
- ▶ **Statement of cash flows**
- ▶ Statement of changes in equity

Question No: 63 ( Marks: 1 ) – Please choose one

**The primary purpose of preparing a cash flow statement for an entity is to Provide information about:**

- ▶ Its financial position at the end of an accounting period
- ▶ **Its cash receipts and cash payments during an accounting period**
- ▶ Its financial position at the start of an accounting period
- ▶ None of the given options

Question No: 64 ( Marks: 1 ) – Please choose one

**Capital account of sole proprietors is affected by which of the following items?**

- a. **Profit & Loss account**
- b. **Drawings account**

**c. Balances of capital account**

- ▶ a,b
- ▶ b,c
- ▶ a,c
- ▶ a,b,c

Question No: 65 ( Marks: 1 ) – Please choose one

**According to the statement of cash flows following are the examples of Investing activities except:**

- ▶ Sales of machinery
- ▶ **Capital invested by the owners**
- ▶ Purchase of building for the business use
- ▶ Cash received from the disposal of equipment

Question No: 66 ( Marks: 1 ) – Please choose one

**Mr. A & B entered into a partnership with an equal investment and equal Share in profit or loss. Markup on capital of Mr. A is Rs.2,500 and markup On drawings of Mr. B is Rs.2,800. The net income for the year is Rs.95,000. What will be the amount of distributable profit?**

- ▶ Rs.89,700
- ▶ Rs.94,700
- ▶ **Rs.95,300**
- ▶ Rs.100,300

Question No: 67 ( Marks: 1 ) – Please choose one

**Mr. A & B entered into a partnership with an equal share in profit or loss. The agreement provides that Mr. A will receive Rs.10,000 and Mr. B will Receive Rs.8,000 as salary allowance. The net income for the year is Rs.85,000. What will be the total share of Mr. A?**

- ▶ Rs.52,500
- ▶ Rs.42,500
- ▶ **Rs.43,500**
- ▶ Rs.50,500

Question No: 68 ( Marks: 1 ) – Please choose one

Which of the following is an example of operating expense?

- ▶ Purchasing operating equipment
- ▶ **Purchasing cleaning services**
- ▶ Purchasing an investment in another company
- ▶ Purchasing a computer for the accounting office

Question No: 69 ( Marks: 1 ) – Please choose one

**According to the double entry system of accounting, an account that obtains Benefit is:**

- ▶ Debit
- ▶ **Credit**
- ▶ Income
- ▶ No need to show as accounting record

Question No: 70 ( Marks: 1 ) – Please choose one

**Which of the following is a detailed record of an individual account in case of Large business?**

- Control Account
- Subsidiary Ledger
- **Balance Sheet**
- Trial Balance

Question No: 71 ( Marks: 1 ) – Please choose one

**A firm may earn profit during an accounting period but have less money in the bank at the end of the period then it had at the beginning. Which of the Followings, on its own, could explain this?**

- Not paying invoices received from creditors
- The sale of fixed assets during the period
- **An increase in trade debtors over the course of the period**
- An increase in the depreciation charge relative to the previous accounting Period

Question No: 72 ( Marks: 1 ) – Please choose one

**What does a credit balance in a partner's current account represent to a business?**

- ▶ Current Assets
- ▶ **Current Liability**

- ▶ **Long-term liability**
- ▶ Share of profit

Question No: 73 ( Marks: 1 ) – Please choose one

**Which of the following ratio tells about “How a company would repays its loans”**

- ▶ **Mark up cover ratio**
- ▶ Acid test ratio
- ▶ Current ratio
- ▶ Debt Equity ratio

Question No: 74 ( Marks: 1 ) – Please choose one

**Which of the following is NOT based on the concept of double entry book keeping System?**

- ▶ **Subsidiary Ledgers**
- ▶ Creditors Control Accounts
- ▶ Debtors Control Accounts
- ▶ All of the given options

Question No: 75 ( Marks: 1 ) – Please choose one

**Deferred cost is classified as:**

- ▶ Current liability
- ▶ Current asset
- ▶ **Non-current asset**
- ▶ Non-current liability

Question No: 76 ( Marks: 1 ) – Please choose one

**When preparing cash flow statements, the repayments of a loan during the year Should be included under which of the following heading?**

- ▶ Operating activities
- ▶ **Financing activities**
- ▶ Investing activities
- ▶ None of the given options

Question no: 77 ( Marks: 1 ) – Please choose one

**The company ABC purchased an asset for Rs. 40,000, paying 30,000 in cash and Issuing a long term note payable for remaining balance. The amount will be Recorded in statement of cash flows as:**

- ▶ Rs. 40,000 cash outflow as investing activity
- ▶ **Rs. 30,000 cash outflow as investing activity**
- ▶ Rs. 10,000 cash inflow as investing activity
- ▶ Rs. 70,000 cash inflow as investing activity

Question No: 78 ( Marks: 1 ) – Please choose one

**What is the treatment of Accumulated Depreciation in Balance Sheet?**

- ▶ It may treated as a deficit
- ▶ It may treated as a surplus
- ▶ It may treated as a revenue
- ▶ **None of the given options**

Question no: 79 ( Marks: 1 ) – Please choose one

**An example of financing activities in the context of cash flow statement is:**

- ▶ Capital expenditures on purchase of fixed assets
- ▶ Long-term deposit
- ▶ **Financial charges paid**
- ▶ Dividend paid

Question No: 80 ( Marks: 1 ) – Please choose one

**What is the treatment of Accumulated Depreciation in Balance Sheet?**

- ▶ It may treated as a deficit
- ▶ It may treated as a surplus
- ▶ It may treated as a revenue
- ▶ **None of the given options**

Question No: 81 ( Marks: 1 ) – Please choose one

**Mr. A & B entered into a partnership with an equal investment and equal Share in profit or loss. Markup on capital of Mr. A is Rs.2,000 and markup On drawings of Mr. B is Rs.3,000. The net income for the year is Rs.50,000. What will be the profit share of Mr. A?**

- ▶ Rs.22, 500
- ▶ **Rs.25, 500**
- ▶ Rs.27, 500
- ▶ Rs.55, 000

Question No: 82 ( Marks: 1 ) – Please choose one

**In cash flow statements, which of the following would appear as an inflow of cash?**

- ▶ The repayments of a bank loan
- ▶ Dividend issue in the current year
- ▶ **Money received as result of selling fixed assets**
- ▶ The difference between the valuations of old and new fixed assets

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**Youtube Channel Link**

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**Whatsapp Channel (The Brainy Squad)**

<https://whatsapp.com/channel/0029VajbFwiGOj9lkVXYo02w>

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