Subject: **Accounting and Financial Management**
Paper name: **Accounting and Financial Management**
Paper No: **BCA/2/CC/10**
Semester: II

A. Multiple choice questions

1. Which one is not the types of Accounting
   a) Financial Accounting
   b) Cost Accounting
   c) Management Accounting
   d) Revenue Accounting

2. Excess of revenue over expense is termed as
   a) Income
   b) Profit
   c) Losses
   d) Gain

3. Which one is not objectives of accounting
   a) Maintaining of records of business transactions
   b) Calculation of profit and loss
   c) Providing efficient control over the business
   d) Incomplete information

4. The persons or parties who have purchased goods on credit from us and have not paid for the goods sold to them
   a) Debtors
   b) Creditors
   c) Proprietor
   d) Expense

5. Accounting period must consist of
   a) 12 months
   b) 8 months
   c) 6 months
   d) 4 months

6. When an entry is made in Journal
   a) Assets are listed first
   b) Accounts to be debited listed first
   c) Accounts to be Credit listed first
   d) Accounts may be listed in any order

7. Journal entry to record salaries will include
   a) Debit salaries credit cash
   b) Debit capital credit cash
   c) Debit cash credit salary
   d) Debit salary credit creditors

8. The Narration of journal is used to
   a) Provides complete information about the transaction.
   b) Becomes easier to check and compare.
   c) Helps administration of account
   d) Error can be easily located

9. The ledger folio column of journal is used to
   a) Record the date on which amount posted to a ledger account.
   b) Record the number of ledger account to which information is posted.
   c) Record the number of amounts posted to the ledger account.
   d) Record the page number of the ledger account

10. Which one is not the classification of accounts
   a) Natural account
   b) Artificial account
   c) Personal account
   d) Central account

11. Which one is not the ledger accounts
   a) Assets account
   b) Liabilities account
   c) Capital account
   d) Amount account

12. Collection of requisite information concerning a particular account and presenting them under head is
   a) Journal entry
   b) Trading
   c) Ledger posting
   d) All of the above

13. The Secondary book of account
   a) Journal
   b) Ledger
   c) Trial balance
   d) None of the above

14. The primary book of account
    a) Journal
    b) Ledger
    c) Trial balance
    d) None of the above

15. Balancing of account means
    a) Total of debit side
    b) Total of credit side
    c) Difference in total of debit & credit
    d) None of these

16. The statement prepared with the debit and credit balances of ledger account to test the arithmetical accuracy of books of accounts is
    a) Ledger
    b) Journal
    c) Trial balance
    d) None of these

17. The preparation of a Trial balance helps in
    a) Locating errors of complete omission
    b) Locating errors of principle
    c) Locating errors of commission
    d) None of the above

18. Which one is not the objectives/functions of Trial balance
    a) Summarized information of ledger account
    b) Basis for preparing final account
    c) Helpful from making adjustment
    d) Test of artificial intelligence

19. The page number of the different ledger accounts in the ledger.
    a) Name of account
    b) Ledger Folio
    c) Credit column
    d) Debit column

20. The form listing the balances and the title of the accounts in the ledger on a given date is the
    a) Income statement
    b) Balance sheet
    c) Cash Flow
    d) Trial Balance

21. Statements prepared at the end of Accounting period to assess the financial status i.e profit or loss and assets and liabilities of an enterprise are known as
    a) Final account
    b) Profit and loss account
    c) Balance sheet
    d) None of the above

22. The financial statement consists of
    a) Trial balance
    b) Profit and loss account
    c) Balance sheet
    d) Profit and loss account & Balance sheet

23. The access of revenue generated over cost of manufacture or purchase of a product
    a) Gross profit
    b) Gross loss
    c) Net profit
    d) Net loss

24. Three stages of preparing final accounts of a trading
    a) Journal, Profit & Loss and Balance sheet
    b) Trading, profit & Loss and Balance sheet
    c) Profit & Loss, Trading and Balance sheet
    d) Journal, Trading and Balance sheet

25. Freight inward is
    a) Indirect expense
    b) Direct expense
    c) Indirect income
    d) Direct income

26. An income statement prepared with cost of raw material, purchase and direct expense with a view to ascertain gross profit or loss is known as
    a) Journal
    b) Ledger
    c) Trading
    d) Profit and loss account

27. The income statement prepared with the items of indirect expense, losses, income and gain with a view to ascertain the amount of net profit or loss is known as
    a) Journal
    b) Ledger
    c) Trading
    d) Profit and loss account

28. Loss by fire or theft, donation and charity etc.
   a) Direct expenses
   b) Indirect expenses
   c) Direct income
   d) Indirect income

29. Balance sheet is
   a) A statement
   b) An account
   c) Both
   d) None of the above

30. Balance sheet is prepared to know
   a) Profit
   b) Errors
   c) Balance of accounts
   d) Financial position

31. Ratio analysis is one of the techniques of financial analysis to evaluate the financial condition and performance of a business concern
   a) Ratio analysis
   b) Cast accounting
   c) Cost sheet
   d) Ratio format

32. Which of the following is not included the objectives of Ratio analysis
   a) To know the areas of the business which need more attention
   b) To know about the potential areas which can be improved with the effort in the desired direction
   c) To provide a deeper analysis of the profitability, liquidity, solvency and efficiency levels in the business
   d) To the financial performance

33. Which of the following is not included in Advantages of Ratio Analysis?
   a) Forecasting and Planning
   b) Aid to Decision-making
   c) Cost control
   d) Control of Performance and Cost

34. Current Ratio is equal to:
   a) Current Assets : Current Liabilities
   b) Current Assets : Current Ratio
   c) Current Liabilities : Current Ratio
   d) Current Liabilities : Current Assets

35.Operating ratio is calculated by

a) (Cost of Revenue from Operations + Operating Expenses)/ Net Revenue from Operations)
b) (Cost of Revenue from Operations + Operating Expenses)/ Net Revenue from Operations × 100
c) (Cost of Revenue from Operations + Operating Expenses)/ Net Revenue from Operations x 200
d) None of the above

36.Gross Profit Ratio is calculated by

a) Gross Profit/Revenue of Operations x 100
b) Gross Profit/Net Revenue of Operations x 100
c) Gross Profit/Net Revenue of Operations x 200
d) None of these

37.Which one is not the classification of Ratios analysis

a) Liquidity Ratio
b) Profitability Ratio
c) Statement Ratio
d) Solvency Ratio

38. Quick ratio is calculated by

a) Quick Assets : Current Liabilities
b) Quick Assets : Current Assets
c) Current Liabilities : Quic Assets
d) Current Assets : Quick Liabilities

39.The measurement of the efficiency of the business

a) Profit
b) Operating
c) Maintaining
d) Revenue

40. Gross Profit Ratio is calculated by

a) = Gross Profit/Net Revenue of Operations
b) = Gross Profit/Net Revenue of Operations x 100
c) = Gross Profit/ Revenue of Operations x 100
d) None of these

41.Debt Ratio is also known as

a) Total debt
b) Debt equity
c) Total assets
d) None of these

42 Activity Ratio is also known as

a) Turnover Ratio
b) Trade Ratio
c) Working Ratio
d) Gross Ratio

43.Current Ratio is a type of

a) Solvency Ratio
b) Liquidity Ratio
c) Activity Ratio
d) Profitability Ratio

44. Proprietary Ratio is a type of

a) Solvency Ratio
b) Liquidity Ratio
c) Activity Ratio
d) Profitability Ratio

45. The ideal level of liquid ratio is

a) 1:1
b) 2:3
c) 3:3
d) 4:4

46. A tool for planning budgets, managing and controlling costs, and evaluating cost management performance

a) Standard Costing
b) Cost Sheet
c) Budgetary Control
d) Budget

47. Who coined the concept of management accounting?

a) R.N Anthony
b) James H. Bliss
c) J. Batty
d) American Accounting Association

48. Management accounting assists the management

a) Only in control
b) Only in direction
c) Only in planning
d) In planning, direction and control

49. The definition 'Management Accounting is the presentation of accounting information in such a way as to assist management in the creation of policy and the day-to-day operation of an undertaking.'
    a) Anglo-American Council on Productivity
    b) AICPA
    c) Robert N. Anthony
    d) All of the above

50. Which one is not included in objectives of management accounting ?
    a) Planning and policy formulation
    b) Interpretation process
    c) Controlling
    d) Staffing

51. …………….. is an accounting system, through which an organization keeps the track of various costs incurred in the business in production activities
    a) Cost Accounting
    b) Financial Accounting
    c) Management Accounting
    d) None of these

52. ……… is an accounting system that captures the records of financial information about the business to show the correct financial position of the company at a particular date
    a) Cost Accounting
    b) Financial Accounting
    c) Management Accounting
    d) None of these

53. The accounting in which the both financial and non-financial information are provided to managers is known as …………...
    a) Cost Accounting
    b) Financial Accounting
    c) Management Accounting
    d) None of these

54. Financial statements are reported at the end of the accounting period, which is normally 1 year
    a) Financial accounting
    b) Cost accounting
    c) Financial management
    d) Standard costing

55. Cost accounting is
    a) Quantitative
    b) Quantitative and Qualitative.
    c) Both
    d) None of these

56. Management accounting is
    a) Quantitative
    b) Quantitative and Qualitative
    c) Both
    d) None of these

57. Financial accounting is
    a) Monetary information only
    b) Monetary and non-monetary information
    c) Not specified
    d) None of these

58. Management accounting is
    a) Monetary information only
    b) Monetary and non-monetary information....
    c) Specified
    d) None of these

59. A tool for planning budgets, managing and controlling costs, and evaluating cost management performance
    a) Standard Costing
    b) Cost Sheet
    c) Budgetary Control
    d) Budget

60. Following are the technique Or tools used to discharge the function of management accounting:
    a) Marginal Costing
    b) Budgetary Control
    c) Standard Costing
    d) Minimum Costing

61. ………………………is a forecast future event expressed in quantitative terms
    a) Budget
    b) Budgeting
    c) Budgetary control
    d) None of the above

52. ……………………is a technique for formulating budgets
    a) Budget
    b) Budgeting
    c) Budgetary control
    d) None of the above

63. …………………is a technique of managerial control through budgets.
    a) Budget
    b) Budgeting
    c) Budgetary control
    d) None of the above

64. Which of the following is not a function of Budgetary control
    a) Planning
    b) Co-ordination
    c) Control
    d) Purchasing

65. ………is concerned with probable events likely to happen under anticipated condition during a specified period of time
    a) Budget
    b) Forecast budget
    c) Flexible budget
    d) Fixed budget

66. ………… is the preparation of budget starting from a zero or from a clean state.
    a) Functional budget
    b) Fixed budget
    c) Flexible budget
    d) Zero Base Budgeting

67. Zero Base Budgeting (ZBB) was proposed by
    a) Peter Payal
    b) Jimmy Carter
    c) Francis Makemia
    d) Joy CS

68. Direct expenses are also called
    a) major expenses
    b) chargeable expenses
    c) overhead expenses
    d) sundry expense

69. A budget that changes as per the necessity of activity level.
    a) Functional budget
    b) Fixed budget
    c) Flexible budget
    d) Zero Base Budgeting

70. The master budget will comprise
    a) The sum total of all the divisional budgets that is prepared by all the divisions.
    b) A budget that is adjusted to reflect different costs at different activity levels
    c) Both
    d) None of these

71. A statement which represents the various costs incurred at different stages of business operations, in a tabular format
    a) Cost sheet
    b) Indirect Cost
    c) Direct Cost
    d) Prime Cost

72. Which of the following is not a Components of Cost
    a) Cost of Production
    b) Agriculture Cost
    c) Factory Cost
    d) Total Cost

73. A Prime Cost is=
    a) =Direct Material + Direct Labour + Direct Expenses
    b) =Indirect Material + Indirect Expenses + Direct Expense
    c) =Indirect Material + Direct Labour + Direct Expenses
    d) =Direct Material + Direct Labour + Indirect Expense

74. The formula to find out the total cost or cost of sales is
    a) Profit=Sales-Total Cost
    b) Cost of Production=Works Cost + Administration Overhead
    c) Total Cost=Cost of Production of Goods sold + Selling and Distribution Overhead
    d) Cost of Production of Goods sold= Works Cost + Administration Overhead

75. Labor charges is a part of which cost?
    a) Operating costs
    b) Direct costs
    c) Fixed costs
    d) Variable cost

B. Fill up the blanks

1. Information is said to be relevant if it is………..
2. Debit the……..
3. Credit what………..
4. Financial statement are prepared on the basis of……….
5. If credit side exceeds the debit side………
6. The stock available with the firm on the opening day of the accounting period……
7. An ideal quick ratio is ……..
8. Debt-equity ratio of …….. is considered safe.
9. The Liquidity ratios also called …………………
10. The term Management accounting was first used in …
11. ……………is useful only to those people who are in the decision making process.
12. …………… plays a vital role in taking an efficient plan providing necessary information
13. A …………… is a statement
14. A …………………..budget is always static
15. A…………………….budget is very dynamic

Key Answers

A. Multiple choice questions

1. D)	2. B)	3. D)	4. A)	5. A)	6. B)	7. A)
8. A)	9. D)	10. D)	11. D)	12. C)	13. B)	14. A)
15. C)	16. C)	17. C)	18. D)	19. B)	20. B)	21. A)
22. D)	23. A)	24. B)	25. B)	26. C)	27. D)	28. B)
29. A)	30. D)	31. A)	32. D)	33. C)	34. A)	35. B)
36. B)	37. C)	38. A)	39. A)	40. B)	41. C)	42. A)
43. D)	44. A)	45. C)	46. A)	47. B)	48. D)	49. A)
50. D)	51. A)	52. B)	53. C)	54. A)	55. A)	56. B)
57. A)	58. A)	59. D)	60. D)	61. A)	62. B)	63. C)
64. D)	65. B)	66. D)	67. A)	68. B)	69. C)	70. A)
71. A)	72. B)	73. A)	74. C)	75. B)		

B. Fill up the blanks

1. Free from bias
2. Giver
3. Goes out
4. Trial balance
5. Gross profit
6. Opening stock

7. 1:1
8. 2:1
9. Short-term Solvency Ratios
10. 1950
11. Management Accounting
12. Management Accounting
13. cost sheet
14. fixed
15. flexible