

Step Academy official

Model Town Grw PH: 03016652757

STUDENT NAME	
PAPER CODE	52427
TIME ALLOWED	60
Paper Date	02-01-2026



CLASS	I.COM (PART-II)
SUBJECT	Principle of Accounting
TOTAL MARKS	150
Paper Type	

Q1. Choose the correct answer.

150X1=150

1. Double entry system means:

- (A) The recording of same things twice (B) Double accounting (C) The two sides of every transaction are recorded (D) Entry at two dates

2. Single entry system contains:

- (A) A daybook or general journal (B) A cashbook (C) Ledger accounts for individual customers and creditors (D) All of above

3. In single entry system ledger contains the accounts of:

- (A) Debtors, creditors and cash (B) Wages and carriage (C) Salaries and insurance (D) Assets and liabilities

4. In single entry system the final accounts are prepared by means of statement of affairs:

- (A) Correctly (B) Effectively (C) Wrongly (D) Approximately

5. Opening capital is calculated by taking the difference between:

- (A) Opening assets and closing assets (B) Opening assets and closing liabilities (C) Opening assets and Opening liabilities (D) Closing assets and closing liabilities

6.

To calculate the true net profit or net loss in single entry system it is necessary that the amount of fresh capital should be subtracted from:

- (A) Adjusted closing capital (B) Closing capital (C) Cash in hand (D) Cash at bank

7. The format sketch of statement of affairs is similar to:

- (A) Trial balance (B) Profit & loss account (C) Balance sheet (D) Income & Expenditure account

8.

If the capital at the end Rs.45000; fresh capital introduced during the year Rs.15000; capital in the beginning Rs.32500; then the amount of loss will be:

- (A) Rs.2500 (B) Rs.27500 (C) Rs.62500 (D) Rs.45000

9.

If the capital at the end Rs.125000 ; drawings Rs.12000; capital in the beginning Rs.60000; profit during the year Rs.27000; then the amount of fresh capital introduced will be:

- (A) Rs.87000 (B) Rs.50000 (C) Rs.77000 (D) Rs.170000

10.

If the capital at the end Rs.82500; drawings Rs.12925; profit during the year Rs.16500; then the capital in the beginning will be:

- (A) Rs.111925 (B) Rs.86075 (C) Rs.53075 (D) Rs.78925

11.

If the capital in the beginning 01-01-2016 Rs.80000; capital introduced on 01-05-2016 Rs.20000; rate of interest 6% P.a., then the interest on capital at 31-12-2016 will be:

- (A) Rs.5600 (B) Rs.4800 (C) Rs.6000 (D) Rs.4000

12. The opening balance of debtors can be ascertained by preparing:

- (A) Total creditors' account (B) Cash account (C) Balance sheet (D) Total debtors' account

13. The amount of cash purchases and cash sales can be ascertained by preparing:

- (A) Total debtors' account (B) Total creditors' account (C) Profit & loss account (D) None of the above

14. Cash paid to creditors can be ascertained by preparing:

- (A) Total debtors' account (B) Total creditors' account (C) Balance sheet (D) None of the above

15.

If opening balance of debtors Rs.26500; closing balance of debtors Rs.44000; credit sales Rs.44000; bad debts Rs.2000, then the value of cash received from debtor will be;

- (A) Rs.24000 (B) Rs.25000 (C) Rs.24500 (D) Rs.25500

16. Net profit making organizations:

- (A) Buy goods (B) Manufacturing goods (C) Sell goods (D) None of these

17. Example of non-profit making organization

- (A) Fan factory (B) Sugar industry (C) Hospital (D) Shoe factory

18. Receipts and payments account is a summary of:

- (A) Cash book (B) Purchase book (C) Sales book (D) Purchase returns book

19. Receipts and payments account shows:

- (A) Debit and credit balances of ledgers (B) Income and expenditures (C) Cash receipts and payments (D) Assets and liabilities

20. In receipts and payments account:

- (A) No narration is written (B) No ledger reference is recorded (C) Daily cash balance cannot be ascertained (D) All of the above

21. In receipts and payment account:

- (A) Credit transaction are not recorded (B) Non-cash items are recorded (C) "a" and "b" (D) Cash transaction are not recorded

22. Manufacturing account

- (A) Trading account (B) Trading account (C) Income and expenditure account (D) Profit and loss account

23. Income and expenditure account shows:

- (A) Cash in hand (B) Surplus or deficit (C) Cash at bank (D) Capital account

24. All transactions relating to non-profit seeking concerns are recorded in the books of account strictly according to:

- (A) Single entry system (B) Double entry system (C) Trading entry system (D) "a" and "b"

25. In income and expenditure account:

- (A) Expenses are recorded on debit side (B) Revenues are recorded on credit side (C) Does not start with any opening balance (D) All of the above

26. Subscription received relating to current year is:

- (A) An income (B) An expense (C) An asset (D) A liability

27. Subscription received during the current year is:

- (A) An income (B) An expense (C) An asset (D) a & c

28. Amount received from any source by way of gift is described as

- (A) Legacy (B) Subscription (C) Donation (D) Life membership fee

29.

Lump sum amount received from members which enable them to become the members for whole of the life:

- (A) Life member ship fee (B) Donation (C) Subscription (D) Legacy

30. Sales of newspaper should be:

- (A) Debited to income and expenditure account (B) Credited to income and expenditure account (C) Debited to asset account (D) Credited to special fund

31. Life membership fee Rs.10000, 90% capitalized should be recorded in:

- (A) Receipts and payments account (B) Income and expenditure account (C) Balance sheet (D) All of these

32.

If salaries Rs.300 paid during the year and Rs.25 is outstanding, then the amount debited to income and expenditure account will be:

- (A) Rs.300 (B) Rs.325 (C) Rs.275 (D) Rs.350

33.

If the amount of accrued commission is Rs.400 and the amount of commission received is Rs.2,800 then the amount credited to income and expenditure account will be:

- (A) Rs.2,800 (B) Rs.400 (C) Rs.2,400 (D) Rs.3,200

34.

If the amount of prepaid rent is Rs.150 and amount debited to income and expenditure account is Rs.3250 then rent paid during the year will be:

- (A) Rs.3,400 (B) Rs.1,300 (C) Rs.3,500 (D) Rs.3,000-

35. Consignment outward book treatment is similar to:

- (A) Purchase book (B) Cash book (C) Sales book (D) Pass book

36. The person to whom the goods are sent is known as:

- (A) Consignor (B) Consignee (C) Drawer (D) Consign

37. Consignee is:

- (A) Principal (B) Agent (C) Creditor of the consignor (D) Name of the above

38. Consignee sells the goods on behalf of:

- (A) Drawer (B) Drawee (C) Consignor (D) Agent

39. When goods are dispatched by the consignor to the consignee, it will be from consignor's view point:

(A) Consignment inward (B) Consignment outward (C) Consignment in transit (D) All of these

40. The register which is maintained by consignor to keep full record of the goods consigned is called

- | | | | |
|------------------------------------|-----------------------------------|---------------------------------------|---|
| (A)
Consignment outward
book | (B)
Consignment inward
book | (C)
Consignment production
book | (D)
Consignment in
purchases book |
|------------------------------------|-----------------------------------|---------------------------------------|---|

41. Consignee:

- | | | | |
|---|--|--|----------------------|
| (A)
Bear express or loss in
consignment | (B)
Share profit made on the
sale of goods | (C)
Receives his commission
from the consignor | (D) All of the above |
|---|--|--|----------------------|

42. It is paid to consignee if he takes the risk of bad debts:

- | | | | |
|----------------|------------------------|-------------------------|--------------------------|
| (A) Commission | (B) General commission | (C) Ordinary commission | (D) Delcredre commission |
|----------------|------------------------|-------------------------|--------------------------|

43. Consignment account is a combination of:

- | | | | |
|---|--|--|---|
| (A)
Trading account and
balance sheet | (B)
Trading account and
receipts and payments
account | (C)
Trading account and
statement of affairs | (D)
Trading account and
profit and loss account |
|---|--|--|---|

44. Abnormal loss occurs due to:

- | | | | |
|------------------|--------------|-----------|------------------|
| (A) Loss by fire | (B) Accident | (C) Theft | (D) All of these |
|------------------|--------------|-----------|------------------|

45. The official signature of the company:

- | | | | |
|----------------------|-----------------|----------------|----------|
| (A) Partnership deed | (B) Common seal | (C) Common act | (D) 1984 |
|----------------------|-----------------|----------------|----------|

46. This association is mainly formed for the promotion of commerce, art, religion, charity etc:

- | | | | |
|-------------------------------------|-----------------------|--|-----------------------------------|
| (A)
Company limited by
shares | (B) Unlimited company | (C)
Company limited by
guarantee | (D)
Association not for profit |
|-------------------------------------|-----------------------|--|-----------------------------------|

47. The company which can be formed by at least two members:

- | | | | |
|---------------------|--------------------|------------------|----------------------|
| (A) Private company | (B) Public company | (C) Sole company | (D) All of the above |
|---------------------|--------------------|------------------|----------------------|

48. The company which can be formed by at least two members:

- | | | | |
|---------------------|--------------------|------------------|----------------------|
| (A) Private company | (B) Public company | (C) Sole company | (D) All of the above |
|---------------------|--------------------|------------------|----------------------|

49. Maximum members in private company are:

- | | | | |
|--------|--------|---------|---------|
| (A) 10 | (B) 50 | (C) 100 | (D) 150 |
|--------|--------|---------|---------|

50. Maximum members in public company are:

- | | | | |
|--------|---------|---------|-------------------|
| (A) 10 | (B) 100 | (C) 150 | (D) None of these |
|--------|---------|---------|-------------------|

51. A company is managed by:

- (A) Shareholders (B) Managers (C) Directors (D) Employees

52. It contains the fundamental conditions upon which alone a company can incorporate:

- (A) Articles of association (B) Prospectus (C) Memorandum of association (D) Partnership deed

53. It contains the rules and regulations for the internal management of company:

- (A) Articles of association (B) Partnership deed (C) Memorandum of association (D) Prospectus

54. It is a valuable document issued by the company for raising of capital:

- (A) Memorandum of association (B) Articles of association (C) Statutory report (D) Prospectus

55.

Which one of the following statement is submitted to registrar in the absence of prospectus for getting the certificate of commencement of business in case of public company?

- (A) Income statement (B) Statement in lieu of prospectus (C) Statement of profit or loss (D) Earning statement

56. He gives the guarantee for shares and debentures offered to public:

- (A) Director (B) Promoter (C) Underwriter (D) Over writer

57. The remuneration which is paid by company to underwriter is called:

- (A) Commission (B) Del-Credit commission (C) Overriding commission (D) Under-writing commission

58. A person who purchase the shares of a company becomes its:

- (A) Shareholder (B) Director (C) Limited (D) Unlimited

59. The shares of a public limited company are generally:

- (A) Freely transferable (B) Not transferable (C) Restricted (D) All of these

60. A private company can commerce business after its incorporation:

- (A) After two months (B) After two weeks (C) Immediately (D) After three weeks

61. A private company can commerce business after its incorporation:

- (A) After two months (B) After two weeks (C) Immediately (D) After three weeks

62. A private company can commence business after its incorporation:

- (A) After two months (B) After two weeks (C) Immediately (D) After three weeks

63. Shares offered to general public for contribution are called:

- (A) Authorized shares (B) Called up shares (C) Issued shares (D) Subscribed shares

64. It is that portion of subscribed capital which has been called up by the company:

- (A) Called up capital (B) Paid up capital (C) Subscribed capital (D) Issued capital

65. The entry for share application money received will be:

- | | | | |
|--|--------------|--|--|
| (A) | (B) No entry | (C) | (D) |
| Ordinary share application a/c ...Dr To Bank a/c | | Bank a/c ...Dr To Ordinary share application a/c | Bank a/c ...Dr To Ordinary share capital a/c |

66. Company does not receive the application for all shares issued in:

- (A) Under subscription (B) Over subscription (C) Subscription (D) Normal subscription

67. Ordinary share capital a/c ...Dr To Bank a/c

- | | | | |
|--|--------------------------|--------------------------|---------------------------|
| (A) | (B) Shares issued at par | (C) | (D) |
| If shares are issued at face value by company then it is called: | | Shares issued at premium | Shares issued at discount |

68. When shares are issued at a price which is less than its par value it is said that it has been issued at:

- (A) Face value (B) Par value (C) Discount (D) Premium

69. If a share of Rs.10 is issued at 10% premium, then issue price of share will be:

- (A) Rs 9 (B) Rs 11 (C) Rs 12 (D) Rs 10

70. If a share of Rs.100 is issued at Rs.110 then it is to be issued at:

- (A) 5% discount (B) 5% premium (C) 10% discount (D) 10% premium

71. Discount on issue of shares is written in:

- | | | | |
|---------------------|--|-----------------------------|---------------------------------|
| (A) Trading account | (B) | (C) | (D) |
| | Credit side of profit and loss account | Asset side of balance sheet | Liability side of balance sheet |

72. Premium on issue of shares is shown on:

- | | | | |
|-------------------------------|---------------------------------------|-----------------------------|---------------------------------|
| (A) | (B) | (C) | (D) |
| Debit side of trading account | Debit side of profit and loss account | Asset side of balance sheet | Liability side of balance sheet |

73.

The excess shares application money should be refunded with in:

- (A) 10 days (B) 20 days (C) 15 days (D) 5 days

74. Debenture includes:

- (A) Debenture stock (B) Bonds (C) Participation term certificates (D) All of these

75.

These debentures are repayable after a long period of time or never payable during the existence of the company:

- (A) Redeemable debentures (B) Payable debentures (C) Irredeemable debenture (D) "a" and "b"

76. These debentures can be transferred by mere delivery:

- (A) Order debentures (B) Bearer debentures (C) Registered debentures (D) Crossed debentures

77. These debentures cannot be transferred by mere delivery:

- (A) Unregistered debentures (B) Registered debentures (C) Bearer debentures (D) Crossed debentures

78. The conversion of debentures into debenture stock is made by:

- (A) Promoters (B) Shareholders (C) Directors (D) underwriters

79. What will be entry when debentures are issued for cash at par:

- (A) Bank a/c ...Dr To debentures a/c (B) Bank a/c ...Dr To ordinary share capital a/c (C) Ordinary share capital a/c ...Dr To bank a/c (D) Debentures a/c ...Dr To bank a/c

80. Decrease in the value of an asset to change in habit or taste of people:

- (A) Efflux of time (B) Accident (C) Obsolescence (D) Wear and tear

81. We write depreciation on the:

- (A) Debit side of trading account (B) Credit side of trading account (C) Debit side of profit and loss account (D) Credit side of profit and loss account

82. Fluctuation:

- (A) Does not reduce productive capacity (B) May rise or fall the value of an asset (C) Is generally irregular (D) All of these

83. Depreciation is a charge against:

(A) Expense (B) Revenue (C) Liability (D) Capital

84. Depreciation may be ascertained exactly in case of:

(A) Lease holds property (B) Machinery (C) Patent right (D) "a" and "b"

85. We should deduct the amount of depreciation from:

(A) Capital (B) Fixed assets (C) Cash (D) Liability

86. The value of an asset at the end of working life is called:

(A) Original cost (B) Book value (C) Scrap value (D) Market value

87. The period during which the asset will help in earning income of business is known as:

(A) Consumed life (B) Expired life (C) Exhausted life (D) Working life

88. The change in shape of an asset due to friction, movement etc. is known as

(A) Accident (B) Wear and tear (C) External cause (D) Obsolescence

89. Under reducing balance method the depreciation is always changed on:

(A) Original cost (B) Book value (C) Breakup value (D) Residual value

90. Reducing balance method is also known as:

(A) Diminishing balance method (B) Book value method (C) Written down value method (D) All of these

91. Suppose cost of asset is Rs.1000 and rate of depreciation 10% p.a then the book value of asset after two years will be:

(A) Rs.1000 (B) Rs.810 (C) Rs.900 (D) Rs.729

92. This method is used by income tax authorities for granting depreciation allowance to taxpayers:

(A) Straight line method (B) Written down value method (C) Fixed installment method (D) Original cost method

93. If the original cost of an asset is Rs.10000; rate of depreciation 10% then the value of depreciation under diminishing balance method after second year will be:

(A) Rs.900 (B) Rs.1000 (C) Rs.1100 (D) Rs.1200

94. If the original cost of an asset is Rs.10000; rate of depreciation 10% then the value of depreciation under diminishing balance method after second year will be:

(A) Rs.1000

(B) Rs.900

(C) Rs.800

(D) Rs.810

95.

If original cost of an asset is Rs.10000, rate of depreciation 10%, then the value of depreciation under diminishing balance method after third year will be:

(A) Rs.1000

(B) Rs.900

(C) Rs.700

(D) Rs.810

96. Current accounts of the partners should be opened when the capital are:

(A) Fluctuating

(B) Fixed

(C) Either fixed or fluctuating

(D) Variable

97. The current account of a partner:

(A) Will always have a credit balance

(B) Will always have a debit balance

(C) May have a debit balance or a credit balance

(D) None of these

98. In the absence of an agreement, interest on drawings is to be charged by the firm at the rate of:

(A) 5% p.a

(B) 6% p.a

(C) 8% p.a

(D) None of these

99. In the absence of an agreement, interest on drawings is to be charged by the firm at the rate of:

(A) 5% p.a

(B) 2% p.a

(C) 4% p.a

(D) None of these

100.

The maximum amount which each partner will draw from the business in anticipation of the share of profit is his:

(A) Drawings

(B) Profit

(C) Loss

(D) Capital

101. When capital accounts are fixed, then all adjustments are made in:

(A) Partner's capital account

(B) Partner's current account

(C) Partner's fixed account

(D) Partner's nominal account

102. The entry for drawings in cash by partner will be:

(A) Drawing account ... Dr To Cash account

(B) Cash account Dr To Drawing account

(C) Partner's capital accountDr To Cash account

(D) Cash account Dr To Partner's capital account

103. The closing entry for interest on drawings will be:

(A) Profit & loss appropriation a/c ... Dr To Interest on

(B) Profit & loss appropriation a/cDr To Partner's capital account

(C) Partner's capital accountDr To Interest on drawings account

(D) Interest on drawings account Dr To Profit & loss

104. The entry for distribution of profit among the partners will be:

(A) Profit & loss appropriation a/c Dr To Cash account	(B) Cash account ... Dr To Profit & loss appropriation a/c	(C) Profit & loss appropriation a/c Dr To Partner's	(D) Partner's capital accountDr To Profit & loss
---	--	--	---

105. The benefit and advantage of the good name or reputation of a business:

- (A) Liability (B) Goodwill (C) Amortization (D) Depreciation

106. The valuation of goodwill arises on:

- (A) The admission of a new partner (B) The retirement or death of a partner (C) The dissolution or sale of firm's business (D) All of the above

107.

The value of goodwill is calculated by multiplying the average of a given number of past years by an agreed number under:

- (A) Average profits method (B) Super profits method (C) Capitalization method (D) Revaluation method

108.

Suppose the average profit of last five years is Rs.7,000, normal profits Rs.4,000, then the value of goodwill on the basis of three years purchase under super profits method will be:

- (A) Rs.6,000 (B) Rs.9,000 (C) Rs.12,000 (D) Rs.,00015

109.

Suppose the actual net profit of a business is Rs.7,500, normal rate of return 10%, the net tangible assets Rs 50,000, then the value of goodwill will be:

- (A) Rs 5,000 (B) Rs.15,000 (C) Rs.25,000 (D) Rs.35,000

110.

The share of profit to a new partner in the future profits without any express agreement as to who will contribute to new partner's share of profit is implied that old partners contribute:

- (A) Equally (B) In proportion of their capital (C) In their profit sharing ratio (D) None of these

111. Old profit sharing ratio minus new profit sharing ratio is equal to:

- (A) Sacrificing ratio (B) Gaining ratio (C) Distributing ratio (D) None of these

112.

When the incoming partner pays the firm for goodwill in cash, the amount should be debited in firms books to:

- (A) Goodwill account (B) Capital account of the incoming partner (C) Cash account (D) All of the above

113. At the time of admission of a new partner, goodwill raised should be written off in:

- (A) New profit sharing ratio (B) Old partner sharing ratio (C) Sacrificing ratio (D) Gaining ratio

114.

If the incoming partner is to bring his share of goodwill in cash and there exists any balance in goodwill account, then this goodwill account is to be written off among old partner in:

- (A) New profit sharing ratio (B) Old profit sharing ratio (C) Sacrificing ratio (D) Gaining ratio

115. On the admission of a new partner the increase in the value of assets is debited to:

- (A) Profit and loss adjustment account (B) Assets account (C) Old partners' capital account (D) New capital account

116. Goodwill is an:

- (A) Tangible asset (B) Intangible asset (C) Wasting asset (D) Fictitious asset

117. A business running into losses will have generally no:

- (A) Machinery (B) Sundry debtors (C) Sundry creditors (D) Goodwill

118. At the time of admission of a partner, undistributed profit appearing in the balance sheet of the old firm should be transferred to capital account of:

- (A) Old partners in the old profits sharing ratio (B) Old partners in the new profit sharing ratio (C) All the partners in the new profit sharing ratio (D) None of the above

119.

A and B who are partners sharing profits in the ratio of 3:1 and admit C to one fourth share in the future profits, the profit ratio will be:

- (A) (B) (C) (D)

120. When goodwill brought in cash by a new partner, the entry will be:

- (A) Cash account ...Dr
To goodwill account (B) Goodwill account ...
Dr To cash account (C) Goodwill account ...
Dr To old partners' capital accounts (D) No entry

121. Goodwill raised by the partner at the time of admission of a partner will be written off in:

- (A) Gaining (B) New profit sharing ratio (C) Old profit sharing ratio (D) Sacrifice ratio

122. Revaluation account is also known as:

- (A) Revaluation account (B) Profit & loss adjustment account (C) Profit and loss account (D) Capital account

123. The amount of goodwill brought in cash but withdrawn by old partners will be:

- (A) Cash account ..Dr To goodwill account (B) Goodwill account ... Dr To old partner's capital accounts (C) Old partner's capital account ..Dr To cash account (D) Old partner's capital accountDr To goodwill account

124. The decrease in the value of building, stock on the admission of a partner should be debited to:

- (A) Building account (B) Stock account (C) "a" and "b" (D) Revaluation a/c

125. Accumulated profit on the admission of a new partner should be credited to:

- (A) Accumulated profit account (B) All partner's capital account (C) New partner's capital account (D) Old partner's capital account

126. The journal entry for the decrease in the value of assets on admission of a new partner will be:

- (A) Revaluation account ...Dr To assets account (B) Assets account ..Dr To revaluation account (C) Cash account ..Dr To asset account (D) Assets account...Dr To new partner's capital account

127. The journal entry for revaluation profit will be:

- (A) Revaluation account ...Dr To old partner's capital accounts (B) Revaluation account ..Dr To new partner's capital accounts (C) **Old partner's capital accounts ... Dr To revaluation** (D) New partner's capital account ...Dr To revaluation account

128. In case of retirement funds for repayment may be provided out of:

- (A) Firm's own resources (B) Borrowing by the firm (C) Additional funds may be bought in by continuing partners (D) All of the above

129. Suppose A, B & C are partners, sharing profits in the ratio of 7:4:3 respectively. What will be the new ratio if B retires in the absence of an agreement?

- (A) 7 : 4 (B) 7 : 3 (C) 4 : 3 (D) 3 : 7

130. The amount payable to retiring partner is shown in the balance sheet of partnership as a:

- (A) Capital (B) Loan (C) Asset (D) Investment

131. Suppose A, B & C are partners, sharing profits in the ratio of 2:2:1 respectively. What will be the new ratio if C retires in the absence of an agreement?

- (A) 2 : 2 (B) 2 : 1 (C) 2 : 3 (D) 1 : 2

132. Gaining ratio is equal to:
- (A) New ratio + Old ratio (B) New ratio – Old ratio (C) Old ratio – New ratio (D) Old ratio + New ratio
133. In case of retirement, when goodwill is raised with retiring partner's share is credited to:
- (A) Retiring partners' capital A/c (B) Cash A/c (C) Goodwill A/c (D) None of these
134. The entry for goodwill raised but written off, in case of retirement should be:
- (A) Retiring partner's capital A/c....Dr To Goodwill A/c (B) Remaining partner's capital A/c....Dr To Goodwill A/c (C) Goodwill A/c....Dr To All Partner's capital A/c (D) All Partner's capital A/c....Dr To Goodwill A/c
135. The entry for goodwill raised with retiring partner's share, in case of retirement should be:
- (A) Goodwill A/c....Dr To Retiring partner's capital A/c (B) Goodwill A/c....Dr To Remaining partner's capital A/c (C) Goodwill A/c....Dr To All Partner's capital A/c (D) Retiring partner's capital A/c....Dr To Goodwill A/c
136. The entry for goodwill raised with retiring partner's share but written off, in case of retirement should be:
- (A) Retiring partner's capital A/c....Dr To Cash A/c (B) Remaining partner's capital A/c....Dr To Goodwill A/c (C) Goodwill A/c....Dr To Retiring partner's capital A/c (D) All Partner's capital A/c....Dr To Goodwill A/c
137. In case of death of a partner, the amount received from insurance company equal to:
- (A) 50% of policy amount (B) 25% of policy amount (C) 75% of policy amount (D) 100% of policy amount
138. On the death of a partner, the amount received from joint policy should be credited to:
- (A) Deceased partner's capital accounts in the old profit sharing (B) Remaining partners' capital accounts in the old profit sharing (C) All partners' capital account equally (D) All partners' capital account in the old profit sharing ratio
139. Revaluation account is prepared to determine the profit or loss on the revaluation of assets and liabilities when a:
- (A) Partner dies (B) Partner retires (C) New partner enter (D) All of these
140. Dissolution due to completion of venture, death of partner, insolvency of partner or expiry of the terms fixed is called:

- (A) Dissolution by agreement (B) Dissolution of notice (C) Dissolution on the happening of certain contingencies (D) Dissolution by court
141. It is prepared to find out the result of dissolution, i.e profit or loss:
- (A) Realization account (B) Revaluation account (C) Profit and loss account (D) Profit and loss appropriation account
142. In case of dissolution, when all the partners are solvent, closing of various assets are credited to:
- (A) Realization account (B) Revaluation account (C) Profit and loss account (D) Assets account
143. In case of dissolution closing of various liabilities are credited to:
- (A) Realization account (B) Revaluation account (C) Profit and loss account (D) Cash account
144. In case of dissolution, the transfer of undivided profit should be debited to:
- (A) Realization account (B) Revaluation account (C) Profit and loss account (D) Partner's capital account
145. The journal entry, for closing of various assets in case of dissolution will be:
- (A) Realization a/c..Dr To assets a/c (B) Asset a/cDr To cash a/c (C) Cash a/c ...Dr To asset a/c (D) Cash a/c ..Dr To realization a/c
146. The journal entry, for the payment of unrecorded liability, in case of dissolution will be:
- (A) Liabilities a/c...Dr To cash a/c (B) Realization a/c....Dr To cash a/c (C) Cash a/c ...Dr To realization a/c (D) Realization a/c ...Dr To liabilities a/c
147. The journal entry, for a liabilities taken over by a partner, in case of dissolution will be:
- (A) Realization a/c... Dr To partner's capital a/c (B) Liability a/c ...Dr To partner's capital a/c (C) Liability a/c...Dr To realization a/c (D) Realization a/c... Dr To liability a/c
148. The journal entry, for the transfer of undivided profits, in case of dissolution will be:
- (A) Realization a/c..Dr To profit a/c (B) Partner's capital a/c...Dr To realization a/c (C) Realization a/c... Dr To partner's capital a/c (D) Profit and loss a/c ... Dr To partner's capital a/c
149. The entry for transferring partner's capital to loan a/c will be:

(A) Cash a/c...Dr To partner's a/c

(B) Cash a/c ...Dr To realization a/c

(C) Partner's capital a/c...Dr To partner's loan a/c

(D) Partner's loan a/c ..Dr To realization a/c

150. In case of dissolution, the loss due to insolvency of partner, when capitals are fixed is to be shared by the solvent partners in:

(A) Profit sharing ratio

(B) Fixed capital sharing ratio

(C) Drawing ratio

(D) Current account ratio

