

## ADVANCED CORPORATE ACCOUNTING

1. GAAP stands for
  - a. Generally accepted accounting principles
  - b. globally accepted accounting principles
  - c. Generally allowable accounting principles
  - d. Generally allowable accounting practices
2. Standards issued by the International Accounting Standards Board (IASB) are known as:
  - a. Financial reporting standards b. international accounting standards c. international financial reporting standards d. international financial standards
3. The body to which the International Accounting Standards Board is responsible is:
  - a. The IFRS Advisory Council b. The IFRS Interpretations Committee
  - c. The IFRS Foundation d. the monitoring board
4. Depreciation accounting is
  - a. AS 1 b. AS 2 c. AS 6 d. AS 3
5. The International Accounting Standard Committee was set up in
  - a. 1982 b. 1976 c. 1967 d. 2009
6. The convergence of the Indian Accounting Standards with IFRS began in
  - a. April 11 b. April 10 c. August 9 d. December 11
7. As per Ind AS 115, a promise to transfer to the customer either goods or services known as
  - a. Agreement b. contract c. performance obligation d. liability
8. Accounting standard for income tax is given in
  - a. Ind AS 38 b. Ind AS 39 c. Ind AS 46 d. Ind AS 22
9. International accounting standards are known as
  - a. IFRS b. AS c. Ind AS d. none of the above
10. .... Is a principle that guides and standardises accounting practices
  - a. GAAP b. financial statements c. accounting standards d. profit % loss statements
11. IFRS 10 deals with
  - a. Joint arrangements b. fair value measurement c. consolidated financial statement d. none
12. Profits of the subsidiary company made after the date of purchase of shares in the subsidiary company by the holding company are called
  - a. post- acquisition profit b. revenue profit c. both a and b d. none
13. Premium on issue of shares can be used for
  - a. Issue of bonus shares b. distribution of profits c. transferring to general reserve d. none of the above
14. Premium on issue of debentures is a
  - a. capital loss b. capital profit c. revenue profit d. revenue loss
15. Minority interest is shown on the ..... of holding company
  - a. liability side of balance sheet b. asset side of balance sheet c. debit side of P&L account d. none
16. When amalgamation is in the nature of merger, the accounting method to be followed is
  - a. equity method b. purchase method c. pooling of interest method d. consolidated method



17. Under pooling of interest method the difference between purchase consideration and share capital of transferee company should be adjusted to  
a. general reserve b. amalgamated adjustment account c. goodwill or capital reserve d. none
18. X Ltd. goes into liquidation and an existing company Z Ltd. purchases the business of X Ltd. It is a case of:  
a. Absorption b. External reconstruction c. Amalgamation d. none
19. When the expenses of liquidation are to be borne by the vendor company, then the vendor company debits:  
(a) Realisation account (b) Bank account (c) Goodwill account.
20. When the purchasing company makes payment of the purchase consideration, it debits:  
(a) Business purchase account (b) Assets account (c) Vendor company's account
21. When one or more existing companies go in to liquidation and some existing company buys the business, it is known as -----  
a. external reconstruction b. liquidation c. absorption d. amalgamation
22. A ----- company is a company which acquires majority of equity shares of other company.  
a. Holding b. subsidiary c. liquidating d. vendor
23. ----- is a person who is liable to contribute to the assets of the company in the case of winding up.  
a. Liquidator b. Vendor c. Subsidiary d. Contributory
24. The amount which is paid by the company to the vendor is called-----  
a. Contribution b. Purchase consideration c. External Reconstruction d. Remuneration
25. Limitation of historical accounting  
a. unrealised profits b. differential basis c. insufficient provision for depreciation d. all the above
26. Cost based models of human resource accounting consists of  
a. replacement cost model b. standard cost model c. dasgupta model d. both a and b
27. The first Indian who suggest a model on human resources of an enterprise.  
a. Chakraborty b. Flamholtz c. Das gupta d. none
28. Standard cost method of human resource accounting is developed by  
a. David Watson b. Jones c. Hekiman d. none
29. Voyage account is debited  
a. bunker cost b. depreciation c. insurance d. all the above
30. The expenses which are incurred in loading of goods on the ships and unloading from the ships are known as  
a. port charges b. stevedoring charges c. bunker cost d. none
31. The method of accounting followed by .....companies are called voyage accounting  
a. Banking b. Insurance c. Shipping d. all the above
32. If the company is unable to pay its debts, then wound up by the  
a. Tribunal b. Voluntary c. both a and b d. none
33. The person who is appointed for the purpose of liquidation  
a. Contributory b. Liquidator c. Creditor d. None
34. A complete list of preferential creditors are included in  
a. List A b. List C c. List D d. List F



35. The method of internal reconstruction
  - a. alteration of share capital b. scheme of compromise c. reduction of share capital d. all the above
36. The balance in Capital Reduction Account is used to write off
  - a. Fictitious asset b. past losses c. excess value of assets d. all the above
37. What term is used to describe increase in the price level?
  - a. Inflation b. GNP c. Deflation d. Exchange rate
38. Internal Reconstruction is done due to .....
  - A. Accumulated Losses B. Shortage Of working capital C. Large Amount of fictitious assets D. All Of these
39. Purchase consideration includes .....
  - A. Cash B. Shares C. Debentures D. All of these
40. Capital of a company can be reduced by .....
  - A. Authorization of Articles B. Passing of a special resolution C. Confirmation of court D. All of these
41. In internal reconstruction, amount sacrificed by shareholders are credited to.....
  - A. Capital reserve B. General Reserve C. Capital reduction account D. None of these
42. In.....,anexistingcompany'sfinancialstructureisreorganizedwithoutliquidatingthe existing companyandforminganewcompany.
  - A.AmalgamationB.ExternalreconstructionC.AbsorptionD.Internalreconstruction
43. The legal process of winding up of a company is called-----
  - a. Amalgamation b. Absorption c. Incorporation d. Liquidation
44. The vendor company transfers preliminary expenses (at the time of absorption) to:
  - (a) Equity shareholders' account (b) Realisation account (c) Purchasing company's account.
45. When there is one liquidation and one formation it is known as
  - a. external reconstruction b. internal reconstruction c. take over d. none
46. When the transferee company hold shares in the transferor company, the set off entry in the books of the transferor company is made by crediting the transferee company and debiting the
  - a. Shareholders account. b. creditors account c. debtors account d.none
47. Under the pooling of interest method, shares are issued by the transferee company at
  - a. Par.b. premium c. discount d. none
48. When the expenses of liquidation are to be borne by the purchasing company, then the purchasing company debits:
  - (a) Vendor company's account (b) Bank account (c) Goodwill account
49. X Ltd. goes into liquidation and an existing company Z Ltd. purchases the business of X Ltd. It is a case of:
  - (a) Absorption (b) External reconstruction (c) Amalgamation.
50. For amalgamation in the nature of merger, the shareholders holding at least \_\_\_\_\_ or more of the equity shares of the transferor company becomes the equity shareholders of the transferee company.
  - (a) 51%(b) 90%(c) 99%(d) 100%