

ROLL NO. _____

GOVERNMENT COMMERCE COLLEGE, VADALI

INTERNAL EXAMINATION-MARCH-2023

SUBJECT: FINANCIAL ACCOUNTING – II (SUBJECT CODE: CE 102 A)

B.COM. – II

DATE:14/03/2023

TIME: 9:00 TO 9:20

DAY : TUESDAY

TOTAL MARKS : 10

SECTION-A

Instructions: (1) Write any 10 MCQ from given 12 MCQ.

(2) Each MCQ carry 1 Mark each.

- (1) Credit balance of Capital Reduction Account is transferred to
- (A) Goodwill Account (B) General Reserve Account
(C) Capital Reserve Account (D) Profit & Loss Account
- (2) When accidental liabilities paid which account is debited _____
- (A) Goodwill A/c (B) Accidental Liabilities A/c
(C) Bank A/c (D) Capital Reduction A/c
- (3) If under the scheme of Capital Reduction, out of the preference dividend in arrears of Rs. 90,000 (which was not declared and not paid) Rs. 60,000 waived by preference shareholders then-
- (A) Rs.60,000 would be credited to Capital Reduction Account
(B) Rs.30,000 would be credited to Capital Reduction Account
(C) Rs.30,000 would be debited to Capital Reduction Account
(D) No Entry will be made
- (4) Underwriting Agreement is made for?
- (A) Private Placement of Shares
(B) Issue of Right Shares
(C) Issue of Shares or Debentures in General Public
(D) All of the above
- (5) On Equity shares of Rs. 100 each issued at Rs. 140 per share, the maximum amount of underwriting commission payable to underwriter should be?
- (A) Rs.5 (B) Rs. 2.50
(C) Rs. 3.50 (D) Rs. 7.00
- (6) When Preference Shares are redeemed at a premium, the provision for Redemption premium amount made from:
- (A) Forfeited A/c (B) Securities Premium A/c
(C) Capital Reserve A/c (D) None of the Above

(7) Which of the following balances can be utilized for redemption of Redeemable Preference Shares?

- (A) General Reserve (B) Profit and Loss A/c (Cr.)
(C) Any one or both of the above (D) Securities Premium

(8) If Securities Premium is not available for Redemption Premium; then which of the following account can be use for waiving off Redemption Premium?

- (A) General Reserve (B) Profit and Loss A/c (Cr.)
(C) Capital Redemption Reserve (D) Securities Premium

(9) The following account can be used only for issuing fully paid bonus shares

- (A) General Reserve A/c
(B) Securities Premium A/c
(C) Capital Reserve A/c
(D) Dividend Equalization Fund

(10) When company issues bonus shares, then its share price immediately:

- (A) Increases (B) Decreases
(C) Stable (D) No Effect

(11) A company has converted its 10 Equity Shares of Rs. 10 each into stock of Rs. 105 in the books of the company?

- (A) Equity Stock A/c will be credited with Rs. 105.
(B) Equity Stock A/c will be debited with Rs. 105.
(C) Stock Premium A/c will be credited with Rs. 5.
(D) Stock Premium A/c will be debited with Rs. 5.

(12) When authorized capital is increased-

- (A) Share Capital Account is debited
(B) Share Capital Account is credited
(C) No entry is passed
(D) Bank a/c is debited