

1 The amalgamation requires approval of

- a) **High Court**
- b) Registrar of Companies
- c) Central Government
- d) Directors

2. Approval by _____ a shareholders is necessary for treatment as in nature of merger.

- a) 51%
- b) 75%
- c) **90%**
- d) 80%

3. Approval by _____ % of shareholders is required for implementation of the scheme of amalgamation.

- a) 51%
- b) **75%**
- c) 80%
- d) 90%

4. In case of purchase method, transferee company should record assets at _____ .

- a) book value
- b) cost
- c) market value
- d) **agreed value**

5. In case of pooling of interest method, transferee company should record assets at _____.

- a) cost
- b) market value
- c) agreed value
- d) **book value**

6. Amalgamation Adjustment Reserve Account is required in respect of _____.

- a) general reserve
- b) **statutory reserve**
- c) security premium
- d) capital reserve

7. Sinking Fund appearing in the Balance Sheet of Vendor Company is transferred to _____.

- a) Realisation Account
- b) **Equity Shareholders Account**
- c) Preference Shareholders Account
- d) Purchasing Companies Account

8. On amalgamation if preference shares are settled at a premium, the premium is _____.

- a) **Debited to Realisation Account**
- b) Credited to Realisation Account
- c) Credited to securities premium Account
- d) Debited to Profit and Loss Account

9. Accounting for amalgamation in the books of a Vendor Company is _____.

- a) **The same in all types of amalgamation**
- b) The different in all types of amalgamation
- c) Dependent on the type of company
- d) Dependent on purchase consideration

10. On amalgamation, accounting for amalgamation in the books of purchasing company is _____.

- a) The same in all types of amalgamations
- b) **The different in all types of amalgamation depending on the type of amalgamation.**
- c) Dependent on the type of companies
- d) Dependent on the purchase consideration

11. In amalgamation as a merger all the assets and liabilities of vendor company become the assets and liabilities of _____.

- a) **Transferee company**
- b) Vendor Company
- c) Holding company
- d) Subsidiary company

12. Shareholders holding not less than 90% of the face value of equity share capital in the Vendor Company become the equity shareholders in the purchasing company if amalgamation is _____.

- a) **In the nature of merger**
- b) In the nature of purchase of business
- c) In the nature of absorption
- d) In the nature of internal reconstruction

13. On 1st January, 2018; XYZ Ltd. invoiced goods to its USA client for \$ 10,000 payment was received on 1st March, 2018.

The exchange rate was:

1st January 2018: \$ 1 = ₹. 39. 1st March, 2018: \$ 1 = Rs.40

The amount of difference in exchange transferred to Profit & Loss Account is

- a) ₹. 20,000
- b) **₹. 10,000**
- c) ₹. 15,000
- d) ₹. 25,000

14. H Ltd. purchased a plant on 1st January, 2018 but has not been paid for by 31st March, 2018; the date of closing the books. The cost of the plant was \$ 1,00,000.

The exchange rates were :

1st January 2018: \$ 1 = ₹. 39. 31st March, 2018: \$ 1 = ₹.40.

The exchange difference is _____

- a) **₹. 1,00,000**
- b) ₹. 50,000
- c) ₹. 1,50,000
- d) ₹. 2,00,000

15. A long-term loan was obtained from Z Ltd ₹ .20,00,000 which was recorded at \$ 1 = ₹.. 36.20, the rate on the date of the transaction. The exchange rate on the Balance Sheet date was \$ 1 = ₹..37.40 . The loss due to exchange difference is _____.

- a) ₹. **66,312**
- b) ₹. 66,000
- c) ₹. 65,000
- d) ₹. 85,000

16. Following is not a monetary item :

- a) Bills Receivable
- b) Cash
- c) **Inventory**
- d) Bills Payable

17. An exchange rate on the date of Balance Sheet is known as _____.

- a) average rate
- b) **closing rate**
- c) non-monetary rate
- d) monetary items

18. Non-monetary items are valued at _____.

- a) market price
- b) current price
- c) **historical cost**
- d) fluctuating price

19. Reporting currency is the currency used in _____.

- a) settling financial transactions
- b) **presenting financial statements**
- c) recording financial transactions
- d) other than the reporting currency

20. Foreign currency is a currency _____.

- a) used in recording foreign transactions
- b) in presenting foreign financial statements
- c) **other than the reporting currency**
- d) settling financial transactions

21. An Indian Company is regular importer of goods on credit. It makes its first import for 2019 on 1-4-2019 for goods worth US \$ 10,000. During the 4 working days in that week the exchange rates were: \$1 = Rs. 45, Rs. 45.25, Rs. 44.65, and Rs. 45.10. Calculate amount recorded in books of account company_____

- a) **Rs. 4,50,000**
- b) Rs. 4,52,500
- c) Rs. 4,46,500
- d) Rs. 4,51,000

22. Contingent liability denominated in foreign currency at the balance sheet date is disclosed by using the _____.

- a) Average Rate
- b) **Closing Rate**
- c) None Monetary Rate
- d) Monetary Rate

23. Non-monetary item which are carried in term of historical denominated in foreign currency should be reported using the exchange rate at the date of the _____.

- a) Balance Sheet
- b) **Transaction**
- c) Settlement
- d) None of the above

24. Following is not an example of monetary item _____.

- a) Cash
- b) Receivables
- c) Payables
- d) **Fixed assets**

25. Following is an example of non-monetary item _____.

- a) Debtors
- b) Creditors
- c) Bank account
- d) **Inventories**

26. Following is an example of monetary item _____.

- a) **Trade Receivables**
- b) Share Capital
- c) Investments
- d) Fixed assets

27. Liquidator's statement is prepared under section _____.

- a) 143
- b) 153
- c) **156**
- d) 173

28. Compulsory winding up takes place if _____

- a) Special resolution is passed by the company
- b) The company does not commence business within one year of its incorporation
- c) The company is unable to pay its debts
- d) **All of the above conditions.**

29. In the case of compulsory winding up, official liquidator is appointed by

- a) **The Central Government**
- b) The State Government
- c) The Registrar of Companies
- d) The High Court

30. In the case of member's Voluntary winding up liquidator is appointed by
- The Central Government
 - The Company in General Meeting**
 - The Board of Directors
 - The Registrar of Companies
31. In a statement of affairs secured creditors are shown in
- List A
 - List B**
 - List C
 - List D
32. In case of compulsory winding up Statement of Affairs is sent to
- The Official Liquidator**
 - The Liquidator
 - The Government
 - The High Court
33. Deficiency or surplus A/c is prepared as per list
- H**
 - B
 - C
 - E
34. Preferential creditors are included in list
- List C**
 - List B
 - List D
 - List E
35. Government dues that arose within 12 months before the date of winding up is treated as
- Preferential Creditors**
 - Secured Creditors
 - Unsecured Creditors
 - None of the above
36. Retirement benefit of employees exceed ₹. 20,000 per employee is considered as :
- Unsecured Creditors
 - Preferential Creditors**
 - Secured Creditors
 - Last claimant
37. Arrears of Preference dividend on the date of winding up is _____.
- Added to Preference share capital**
 - Treated as secured creditor
 - Treated as unsecured creditor
 - less to Preference share capital
38. Calls received in advance is considered as _____.
- Unsecured creditor**

- b) Secured creditor
- c) Preferential creditor
- d) Personal creditors

39. A contributory is a _____.

- a) **Shareholder**
- b) Debenture holder
- c) Secured creditor
- d) Unsecured creditor

40. SV Ltd. issued a 10% Debentures of ₹. 100 each at 20% discount. The underwriting commission will be paid on

- a) ₹. 100
- b) **₹. 80**
- c) ₹.120
- d) ₹. 150

41. SV Ltd. issued shares of a face value of ₹ 100 each at par. The MV is ₹.120 cost is ₹.90. The underwriting commission will be paid on

- a) **₹. 100**
- b) ₹. 120
- c) ₹. 90
- d) ₹. 130

42. SV Ltd. issued shares of ₹. 100 each at 50% premium. Underwriting commission will be paid on a

- a) ₹. 100
- b) ₹. 90
- c) **₹. 150**
- d) ₹. 120

43. When the entire issue is underwritten by Mr. Prem kumar, he is liable for

- a) No. of shares applied by the public
- b) No. of shares underwritten
- c) **No. of shares underwritten less. No. of shares applied by the public**
- d) (a) & (b)

44. Marked applications are

- a) **Applications stamped by the underwriters**
- b) Applications signed by the public
- c) Applications sealed by the company
- d) (b) & (c)

45. Unmarked applications are

- a) Applications stamped by the underwriters
- b) **Applications from public directly received by the company**
- c) Applications given to the brokers
- d) Applications given to the existing shareholder

46. Underwriters can claim remuneration on

- a) Face value of shares underwritten
- b) **Issue price of shares underwritten**
- c) Face value of shares actually purchased
- d) Market value of shares actually purchased

47. When an underwriter agrees to purchase a certain no. of shares in addition to unsubscribed shares, it is called as

- a) **Firm underwriting**
- b) Partial underwriting
- c) Full underwriting
- d) conditional underwriting

48. Any vacancy arising in office of Designated Partner shall be filled within_____ days

- a) **30**
- b) 25
- c) 45
- d) 50

49. Statement of Account & Solvency to be filled by LLP with Registrar within _____months from end of financial year.

- a) 8
- b) **6**
- c) 1
- d) 2

50. LLP Act, 2008 came into effect by way of notification dated _____

- a) 31-12-2009
- b) 31-03-2008
- c) **31-03-2009**
- d) 31-12-2008

51 A LLP whose contribution who mandatorily require auditing of their accounts shall appoint an auditor within _____days before end of each financial year

- a) 45
- b) 25
- c) **30**
- d) 50