MGT-101 Final Term Exams Preparation Virtual University

Sr	Questions	Answers Choice
1	What will be the effect on accounting equation ,which payment is made to the creditor of the business?	A. Decrease in an asset ,decrease in liability B. Increase in asset,increase in liability C. Increase in asset ,increase in owner equity
2	In a balance sheet fixed asset is shown at	A. cost price B. market value C. fair value D. written down value
3	Which of the following is not depreciated?	A. factory building B. office equipment C. Plant D. Land
4	Which of the following is NOT prepared by Non Profit organization?	A. Profit and loss account B. Income and expenditure account C. Receipts and payments accounts D. Balance sheet
5	Under the reducing balance method of depreciation :	A. Amount of depreciation increase every year B. Amount of depreciation remains constant for every year C. Amount of depreciationdecrease every year
6	When a liability is reduced or decreased,it is recorded on the	A. Right or the debt side of the account B. Left or the debt side of the account C. Left or the credit side of the account D. Right or the credit side of the account
7	The cost of moving planet and machinery to a new site will be treated as:	A. Revenue expenses B. Capital expenses C. Operating expenses D. Administrative expenses
8	Bank reconciliation statement is :	A. a memorandum statement B. a ledger account C. a part of cash book D. a part of journal
9	Which one of the following is equal to the carrying cost of an asset?	A. original cost minus accumulated depreciation B. original cost plus accumulated depreciation C. original cost minus residual value
10	In an account if credit< debit side then the balance is known as	A. Negative Balance B. Debit Balance C. Positive Balance D. Credit Balance
11	Economic resource owned by a business and expected to benefit for the future operation are called :	A. Expenses B. Assets C. Capital
12	Cash book is a part of	A. Voucher B. general ledger C. general journal D. Trail balance
13	The price paid for an item , in terms of currency is called	A. Sale B. Cost C. Debt D. Revenue
14	_____ is the amount for which an assets could be exchanged between knowledge willing parties in a arm length transaction	A. Present Value B. Fair Value

	parties in a arm length transaction	C. Book Value
15	Accountancy cover which of the following series	A. bookkeeping B. accounting C. auditing D. all of the above
16	In an accounting if credit sale < debit side then the balance is known as :	A. Negative balance B. debit balance C. positive balance D. credit balance
17	Accrued expenses are the example of	A. Current liabilities B. Long term liabilities C. Capital expenses
18	Which of the following statement is NOT TRUE about current liabilities?	A. These are due with in one year B. These are short term loans C. These are consists of all debts,payable after 12 months D. In working capital, these are deducted from current assets
19	Which of the following account balance will be shown on debit side of trail balance ?	A. Capital account B. Sundry credit accounts C. Cash account
20	Net profit + expenses =_____	A. Liabilities B. assets C. capital D. income