

MOCK- TEST, SEPTEMBER 2020

SEM- IV

PROGRAMME: M.COM

MARKS:

DATE : 21 / 09 /2020

DURATION : MINS

COURSE : CORPORATE FINANCIAL ACCOUNTING

- 1) Method of valuation of goodwill are.
 - A. Average profit method
 - B. Super profit method
 - C. Capitalization of super profit
 - D. All the above
- 2) Super profit =
 - A. FMP less Normal profit
 - B. Normal profit plus FMP
 - C. Normal profit dividend by FMP
 - D. None of the above
- 3) Average profit =
 - A. Sum of profit dividend by number of year
 - B. Sum of profit less number of year
 - C. Sum of profit multiply by number of year
 - D. Sum of profit plus number of year
- 4) Average capital employed =
 - A. Closing capital less half the profit
 - B. Opening capital plus half the profit
 - C. Opening capital plus closing capital divided by two
 - D. All the above
- 5) Goodwill is which assets.
 - A. Tangible
 - B. Intangibles
 - C. Current assets
 - D. Current liabilities
- 6) While valuation of goodwill we do not consider.
 - A. Trade investment
 - B. Not trade investment
 - C. Current investment
 - D. None of these

- 7) What are the types of Goodwill?
- A. Rat goodwill
 - B. Cat goodwill
 - C. Dog goodwill
 - D. All of the above
- 8) Valuation of goodwill required in case of.
- A. Merger
 - B. Amalgamation
 - C. Takeover
 - D. All the above
- 9) What are the factor affection the valuation of share?
- A. Motive
 - B. Growth
 - C. Dividend policy
 - D. All the above
- 10) Need for valuation of goodwill.
- A. Merger
 - B. Conversion
 - C. Sales of business
 - D. All of above
- 11) Net asset method is also known as.
- A. Back up value method
 - B. Super profit method
 - C. Normal profit method
 - D. Capitalization of goodwill method
- 12) What is subtracted from the net assets to get assets available to equity shareholder.
- A. Equity share capital
 - B. Preference share capital
 - C. Debenture
 - D. Bank loan
- 13) Fair value of the assets is.
- A. Value under net assets plus value under yield method divided by two.
 - B. Net assets value plus yield value
 - C. Net assets value minus yield value
 - D. Yield value plus goodwill
- 14) Value per share under yield method equal to.
- A. Rate of dividend divided by normal rate of return into paid up value per share.
 - B. Rate of F.M.P divided by N.R.R into paid up value per share.
 - C. Dividend per share dividend by N.R.R. into 100

- D. All the above
- 15)** Average profit excluded the following.
 - A. Interest on none trade investment
 - B. Loss
 - C. Abnormal expenses
 - D. All the above
- 16)** Holding company means.
 - A. Company holding more than 51% of share capital
 - B. Company holding more than 49% of share capital
 - C. Company holding more than 70% of share capital
 - D. Company holding more than 65% of share capital
- 17)** Subsidiary company is.
 - A. Company whose more than 51% share held by other company
 - B. Company whose more than 20% share held by other company
 - C. Company whose more than 45% share held by other company
 - D. Company whose more than 49% share held by other company
- 18)** Capital profit is
 - A. Profit earn before the acquisition of share by holding company
 - B. Profit earn after the acquisition of share by holding company
 - C. Loss incurred during the year
 - D. None of the above
- 19)** Revenue profit is
 - A. Profit earn before the acquisition of share by holding company
 - B. Profit earn after the acquisition of share by holding company
 - C. Loss incurred during the year
 - D. None of the above
- 20)** When amount of investment is more than the face value of share and capital profit.
 - A. Goodwill
 - B. Capital reserve
 - C. Revenue profit
 - D. Capital loss
- 21)** When amount of investment is less than the face value of share and capital profit.
 - A. Goodwill
 - B. Capital reserve
 - C. Revenue profit
 - D. Capital loss
- 22)** Capital profit is also known as.
 - A. Pre-acquisition profit.
 - B. Post-acquisition profit
 - C. Loss during the year

- D. None of the above
- 23)** Revenue profit is also known as.
- A. Pre-acquisition profit
 - B. Post-acquisition profit
 - C. Loss during the year
 - D. None of the above
- 24)** Value of investment held in subsidiary company is Rs.5,00,000. Face value of investment is Rs.3,00,000. And capital profit is Rs.1,50,000.
- A. Goodwill is Rs.50,000.
 - B. Capital reserve Rs.50,000
 - C. Profit is Rs.50,000
 - D. Loss is Rs.50,000
- 25)** A LTD held 50,000 share of X LTD whose share capital consist of 75,000 shares
Per cent of holding by A LTD IS
- A. 66.67%
 - B. 52%
 - C. 75%
 - D. 60%