

Assignment -5: Financial Statement

- The financial Statements consist of:
(a) Trial balance (b) P/L A/C
(c) Balance Sheet (d) Both a & b
- Choose correct chronological order:
(a) Net Profit, Gross Profit, Operating Profit
(b) Operating Profit, Gross Profit, Net Profit
(c) Gross Profit, Operating Profit, Net Profit
(d) Operating Profit, Net Profit, Gross Profit
- Which of the following is Correct?
(a) Gross Profit = Net Sales + Cost of goods sold
(b) Gross Profit = Cost of goods sold – Net sales
(c) Gross Profit = Gross Sales – Cost of goods sold
(d) Gross Profit = Net Sales – Cost of goods sold
- The purpose of financial accounts is to ascertain -
(a) Profit (b) The value of assets
(c) The value of liabilities (d) Profit or loss & financial position
- Financial Statements are prepared -
(a) at the end of calendar year
(b) at the end of assessment year
(c) on every Diwali
(d) at the end of accounting year
- Balance Sheet is prepared to know -
(a) Profit (b) Errors
(c) Balance of Accounts (d) Financial position
- Gross profit is ascertained by -
(a) Trading Account (b) P/L A/C
(c) Balance Sheet (d) Trail Balance
- Suspense A/c appearing in the Trail Balance will be shown in the _____
(a) Balance Sheet (b) Ledger A/C
(c) Trading A/C (d) P/L A/C
- Working Capital is _____
(a) Owner's Capital (b) Borrowed Capital
(c) Current Assets – Current Liabilities
(d) Fixed Capital
- Statement of assets & liabilities is -
(a) Balance Sheet (b) Trial Balance
(c) Trading A/c (d) P/L A/c
- The financial Statements consists of -
(a) Trail balance (b) Cash book
(c) Journal (d) None of these
- Which is not a capital expenditure:
(a) Amount spent on Purchase of Fixed asset
(b) Amount Spent on Additions in Fixed asset
(c) Amount spent on Repairs of Fixed assets
(d) None of these
- Which of the following is Deferred Revenue Expenditure?
(a) Repairs of Plant
(b) Cost of issue of Shares & debentures
(c) Addition to Plant (d) None of these
- Which one is not direct Expense?
(a) Carriage Outward (b) Carriage Inward
(c) Wages (d) Freight
- 'Consumerable Stores' are entered in _____
(a) Trading A/C (b) P/L A/C
(c) Balance Sheet (d) All of these
- 'Export duty' are entered in _____
(a) Trading A/c (b) P/L A/c
(c) Balance Sheet (d) None of these
- 'Salaries & Wages' are shown in ____
(a) Trading A/c (b) P/L A/c
(c) Balance Sheet (d) None of these
- 'Outstanding Expenses' are shown in -
(a) Liabilities side in Balance sheet
(b) Asset side in Balance Sheet
(c) Debit side in P/L A/C
(d) None of these

Solutions: Financial Statement

1. (d): Both (b) & (c)
2. (c): Gross Profit, Operating Profit, Net Profit
3. (d): Gross Profit = Net Sales – Cost of goods sold
4. (d): Profit or Loss & Financial Position
5. (d): At the end of accounting year
6. (d): Financial Position
7. (a): Trading Account
8. (a): Balance Sheet
9. (c): Current Assets – Current Liabilities
10. (a): Balance Sheet
11. (a): Trial Balance
12. (c): Amount Spent on Repairs of Fixed assets
13. (b): Cost of issue of Shares & Debentures
14. (a): Carriage Outward
15. (a): Trading A/c
16. (b): P/L A/c
17. (b): P/L A/c
18. (a): Liabilities side in Balance Sheet

