

Quiz Instructions

Please read the following **New Instructions** carefully before attempting the Quiz.

- This Quiz covers lesson # 01-10
- **Last date for submission of quiz #01 is 08-04-09.**
- Students are advised to upload the solution file in MS Office Word 2003.
- In case of cheating, no credit will be given to students who are involved in.
- In case of any failure with system, you can send solution file via email at fin611@vu.edu.pk with the condition of sending email within due time.
- You must attempt the quiz solution (in word document) in the following shape/form:

| Q no. | Selected option |
|-------|-----------------|
| 1 | B |
| 2 | A |
| 3 | D |

- **Give the answer according to question in the above pattern other wise no marks will be given.**
- Avoid choosing more than one option.
- Make sure that you upload the solution before due date. No solution will be accepted through E-mail after the due date.
- Once you upload the quiz on LMS, it will not be replaced under any condition.

Note: You can upload quiz till 12 o'clock mid night of April 09,2009.

Total Marks = 10

1. Profit of the business can be measured as an increase in:
 - A. The net worth of the business
 - B. The net liabilities of the business
 - C. The net working capital of the business
 - D. The net drawings of the business

2. Which of the following is similar to the statement of affairs?
 - A. Income statement
 - B. Balance sheet
 - C. Statement of changes in equity
 - D. Bank reconciliation statement

3. Under the net worth method of single entry system, profit is ascertained by calculating _____ and adjusting the drawings.
 - A. Increase in liabilities
 - B. Increase in capital
 - C. Increase in assets
 - D. Increase in expenses

4. Which one of the following represents a capital receipt?
 - A. Receipt from sale of goods
 - B. Receipt of rent
 - C. Receipt of commission
 - D. Long-term loan received from bank

5. If the profit is $\frac{1}{4}$ of the sales then it is:
 - A. $\frac{1}{4}$ of the cost price
 - B. $\frac{1}{5}$ of the cost price
 - C. $\frac{1}{2}$ of the cost price
 - D. $\frac{1}{3}$ of the cost price

6. Subscription received in advance by the Non-profit organization is treated as:
- A. A Liability
 - B. An Income
 - C. An Asset
 - D. An Expense
7. The difference of two sides of “Receipts & Payments Account” represents:
- A. Opening cash balance
 - B. Closing creditors
 - C. Closing cash or bank balance
 - D. Closing debtors
8. What would be the value of ‘Outstanding subscriptions’ at beginning of the year, if the subscription realized were Rs. 900 and the balance reported in the Balance sheet is Rs. 400?
- A. Rs. 1,300
 - B. Rs. 900
 - C. Rs. 500
 - D. Rs. 400
9. Which of the following expense is NOT allocated and apportioned on the basis of purchase of raw material made by each department?
- A. Discount receive
 - B. Import duty
 - C. Carriage inward
 - D. Canteen expense
10. What would be the value of depreciation allocated to Department 'X', if the total depreciation on building is Rs. 3,000 and the area covered by Department 'X' & 'Y' is $\frac{2}{3}$ and $\frac{1}{3}$ respectively?
- A. Rs. 2,000
 - B. Rs. 3,000
 - C. Rs. 1,000
 - D. Rs. 1,500