

Quiz Instructions

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

- This Quiz covers lesson # 11-20
- **Last date for submission of quiz #01 is 14-04-09.**
- 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 15,2009.

Total Marks = 10

1. A branch that works independent to the head office is also known as:
 - A. Investment centre
 - B. Profit centre
 - C. Retail centre
 - D. Whole sale branch

2. If the head office send cash Rs. 49,000 for the payment of salaries during the year, under the debtor system Rs. 49,000 would be considered as:
 - A. An expense for the branch
 - B. Fresh capital for the branch
 - C. An asset for the branch
 - D. A liability for the branch

3. The difference between the cost price and the invoice price is known as:
 - A. Gross Profit
 - B. Loading
 - C. Sale price
 - D. Net Profit

4. Which one of the following is **TRUE** about the independent branch?
 - A. It is wholly controlled by the head office
 - B. It is also called a service branch
 - C. It has a separate legal entity
 - D. Books are prepared on double entry system

5. Which of the following account is **NOT** attributed to the books of an independent branch?
 - A. Cash Account
 - B. Goods-in-Transit Account
 - C. Creditors Account
 - D. Capital Account

6. Which of the following represents the partnership agreement in writing?
- A. Partnership registration
 - B. Partnership-at-will
 - C. Partnership deed
 - D. Partnership certification
7. Which of the following statement is **NOT TRUE** about the branch Trial Balance?
- A. It is prepared by the head office
 - B. It is only prepared by the independent branch
 - C. It shows the accuracy of debits and credits
 - D. All the closing balances of ledger accounts appear in Trial Balance
8. Mr. A is the incoming partner, is to bring Rs. 6,000 by way of goodwill for 1/5th share in the firms profit. The total goodwill of the firm will be valued at:
- A. Rs. 1,200
 - B. Rs. 17,000
 - C. Rs. 33,000
 - D. Rs. 30,000
9. If the value of whole business is Rs. 600,000 and Net assets or capital is Rs. 320,000. What is the value of Goodwill under the capitalization method?
- A. Rs. 280,000
 - B. Rs. 320,000
 - C. Rs. 560,000
 - D. Rs. 920,000
10. Which of the following is **TRUE** with respect to the loss on revaluation of assets and liabilities?
- A. Revaluation account is credited
 - B. Capital of old partners are credited
 - C. Revaluation account is debited
 - D. New profit ratio is utilized for loss distribution