Please read the following instructions carefully before attempting Quiz

- This Quiz covers lesson no. 11-19

- Due date of quiz no 02 is 10/04/2009. It means that you can submit your solution file till 12 O’clock mid night 11/04/2009.

- All instructions will be considered during marking quiz. So, consider all these.

- To attempt a quiz, students should be asked to submit their solution files (word documents) in the following shape / form.

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- Quiz file must be in Word document.
- Give the answer according to question.
- Use only the black font color
- Don’t rely only on handouts, use recommended books as well
- Avoid choosing more than one option; otherwise it will be graded zero.
- Make sure that you upload the solution file before due date. No solution file will be accepted through E-mail after the due date.
- Cheating or copying of solution is strictly prohibited; No credit will be given to copied assignment.
- Once you upload the quiz on LMS, it will not be replaced under any condition
1. Which of the following account balance is shown on debit side of Trial Balance? (It is assumed that all account balances are shown on normal balance).
   a. Capital account
   b. Sundry creditors account
   c. Accounts payable account
   d. Sundry debtors account

2. If cost of sales is Rs. 95,000, income from sales Rs. 200,000 and operating expenses Rs. 300,000. What will be net result?
   a. Rs.195,000 Losses
   b. Rs.195,000 Profits
   c. Rs.105,000 Profits
   d. Rs.105,000 Losses

3. In which of the following statement opening stock is shown?
   a. Profit and loss account
   b. Balance sheet
   c. Cash flow statement
   d. Owner’s equity

4. Working capital Rs. 20,000, Current liabilities Rs. 30,000 and fixed assets Rs. 100,000; calculate current assets?
   a. Rs. 10,000
   b. Rs. 50,000
   c. Rs. 110,000
   d. Rs. 120,000

5. Which of the following content(s) is (are) included in the Cost of goods sold?
   a. Opening stock
   b. Purchases
   c. Freight in
   d. All of the given options

6. Which of the following Organization converts raw material into finished goods?
   a. Trading concern
   b. Manufacturing concern
   c. Merchandising concern
   d. Service concern
7. Which of the following is an example of direct materials cost?
   a. Production worker’s wages
   b. Depreciation expenses
   c. A piece of wood for the production of chair
   d. Polish and finishing material for chair

8. In cost of goods sold statement, the ‘cost of material consumed’ is equal to:
   a. Opening raw material inventory + Purchases – Ending raw material inventory
   b. Opening raw material inventory - Purchases + Ending raw material inventory
   c. Ending raw material inventory - Opening raw material inventory – Purchases
   d. Ending raw material inventory + Opening raw material inventory + Purchases

9. What would be the value of Total Factory Cost, if cost of raw materials, direct labor costs, and manufacturing overhead costs are Rs.80,000, Rs.50,000, and Rs.60,000 respectively?
   a. Rs.130,000
   b. Rs.110,000
   c. Rs.140,000
   d. Rs.190,000

10. Which of the following assets are shown at written down value in Balance Sheet?
    a. Current assets
    b. Liquid assets
    c. Floating assets
    d. Fixed assets

11. An asset cost Rs. 50,000, has an estimated residual value of Rs.1,500, and an estimated useful life of 5 years. What is the depreciation rate?
    a. 20.0%
    b. 25.0%
    c. 35.5%
    d. 50.4%

12. Calculate depreciation of machine after first year by using diminishing balance method with the help of given data?
    If, Cost of machine = Rs.400,000
    Useful life = 5 years
    Residual value = Rs.25,000
    Sale price = Rs.40,000
    Rate of depreciation = 40%
13. Which one of the following is **INCORRECT** about closing Stock?
   a. It is added into current assets
   b. It is deducted from material available for use
   c. It becomes opening stock of next year
   d. It increases the owner’s equity of business

14. In the cost of goods sold statement, Cost of direct material consumed + Direct labor =
   a. Conversion cost
   b. Prime cost
   c. Total factory cost
   d. Cost of goods manufactured

15. The total of all costs incurred to convert raw material into finished goods is known as:
   a. Prime cost
   b. Conversion cost
   c. Sunk cost
   d. Opportunity cost

16. In cost of goods sold statement the ‘total factory cost’ is equal to:
   a. Cost of material consumed + Labor cost
   b. Cost of material consumed + Conversion cost
   c. Cost of material consumed + Total factory cost
   d. Cost of material consumed + Factory overhead

17. Which of the following is (are) inventory valuation method(s)?
   a. FIFO
   b. LIFO
   c. Weighted average
   d. All of the given options

18. The cost of an incomplete fixed asset is transferred to ________ as on Balance Sheet date.
   a. Capital account
   b. Capital work in progress account
   c. Relevant asset account
   d. Owner's equity account
19. Under the straight line method of depreciation:
   a. Amount of depreciation increases every year
   b. Amount of depreciation remains constant for every year
   c. Amount of depreciation decreases every year
   d. None of the given options

20. Which of the following asset is NOT depreciated?
   a. Factory Buildings
   b. Office Equipment
   c. Land
   d. Plant & Machinery