



Time Allowed: 1 Hour

Full Marks: 100

Answer all questions. Each question carries 2 marks.

1. The main Purpose of Financial Accounting is?
 - (a) To Provide financial information to shareholders
 - (b) To maintain Balance Sheet
 - (c) To minimize taxes
 - (d) To keep track of liabilities

2. Trial Balance is used to check the accuracy of _____.
 - (a) Balance Sheet balances
 - (b) Ledger Accounts balances
 - (c) Cash Flow Statement balances
 - (d) Income Statement balances

3. Money spent ₹ 12,000 as travelling expenses of the directors on trips abroad for purchase of capital assets is _____.
 - (a) Capital Expenditure
 - (b) Revenue Expenditure
 - (c) Deferred Revenue Expenditures
 - (d) None of the above

4. Which of these errors affect two or more accounts _____.
 - (a) Errors of complete omission
 - (b) Errors of principle
 - (c) Errors of posting to wrong account
 - (d) All the three

5. Purchase price of machine ₹8,90,000, freight and cartage ₹7,000, installation charges ₹30,000, Insurance charges ₹20000, residual value is ₹40,000, estimated useful life 5 years. Calculate the amount of annual depreciation under straight line method?
 - (a) ₹ 1,77,400
 - (b) ₹ 1,81,400
 - (c) ₹ 1,97,400
 - (d) ₹ 1,77,900



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6. Depreciation Accounts is a _____ account.
- (a) Personal O
(b) Nominal O
(c) Real O
(d) None of the above O
7. Original cost is ₹1,50,000 residual value is ₹10,000, depreciation for 3rd year @ 10% p.a. under WDV method _____.
- (a) ₹ 14,000 O
(b) ₹ 12,150 O
(c) ₹ 11,340 O
(d) ₹ 12,240 O
8. Bank has directly paid ₹2,250 for rent as per standing instructions. In BRS starting with Pass Book overdraft _____.
- (a) ₹ 2,250 will be added to Pass Book overdraft O
(b) ₹ 4,500 will be added to Pass Book overdraft O
(c) ₹ 2,250 will be deducted from Pass Book overdraft. O
(d) None of the above O
9. Journal is the book of _____ entry.
- (a) Primary O
(b) Secondary O
(c) Final O
(d) All of the above O
10. Debit side of Bank Pass Book corresponds to _____.
- (a) credit side of Cash Book O
(b) debit side of Cash Book O
(c) debit side of Trial Balance O
(d) credit side of Balance Sheet O
11. To write off bad debt, following entry is passed _____
- (a) Provision for bad debts debit: Debtors credit O
(b) Provision for bad debts debit: Bad debts credit O
(c) Bad debts debit: Debtors credit O
(d) none of the above O



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12. A recovery of bad debt _____.
- (a) increases net income O
- (b) decreases net income O
- (c) increases gross profit and net income O
- (d) None of the above O
13. A trial balance will not balance if _____.
- (a) correct entry is posted twice O
- (b) The purchase on credit basis is debited to purchases and credited to cash O
- (c) ₹500 cash payment to creditors is debited to creditors for ₹50 and credited to cash as ₹ 500 O
- (d) None of the above O
14. ₹ 200 paid as wages for erecting a machine should be debited to _____.
- (a) Repair A/c O
- (b) Machine A/c O
- (c) Capital A/c O
- (d) Furniture A/c O
15. Bad debt is a confirmed _____.
- (a) Loss O
- (b) Profit O
- (c) Revenue O
- (d) None of the above O
16. A and B purchased a piece of land for ₹40,000 and sold it for ₹60,000 in 2021. Originally A had contributed ₹24,000 and B ₹16,000. What will be the profit on venture?
- (a) ₹ 20,000 O
- (b) ₹ 16,000 O
- (c) ₹ 30,000 O
- (d) Nil O



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17. A, for joint venture with B, purchased goods costing ₹2,00,000. B sold 80% of the goods for ₹2,50,000. Balance of goods were taken over by B at cost less 25%. Find out profit on venture?
- (a) 80,000 O
(b) 90,000 O
(c) 50,000 O
(d) None of the above O
18. What is the nature of joint venture with co-venture account?
- (a) Nominal Account O
(b) Real Account O
(c) Personal Account O
(d) None of the above O
19. A promissory note contains an _____ to pay.
- (a) undertaking or promise O
(b) request O
(c) order O
(d) ownership O
20. A purchased goods costing ₹42,500. B sold goods of ₹40,000 at ₹50,000. Balance goods were taken over by A at same gross profit percentage as in case of sale. The amount of goods taken over will be _____.
- (a) ₹ 3,125 O
(b) ₹ 2,500 O
(c) ₹ 3,000 O
(d) None O
21. 'M' and 'N' enter into joint venture where 'M' supplies goods worth ₹ 12,000 and spend ₹ 200 on various expenses. 'N' sells the entire lot for ₹ 15,000 meeting selling expenses amounted to ₹ 400 profit sharing ratio equal. N remits M the amount due. The amount of remittance will be _____.
- (a) ₹ 13,400 O
(b) ₹ 14,600 O
(c) ₹ 12,800 O
(d) ₹ 12,200 O



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22. Mr. P sold goods to Mr. Q for ₹60,00,00. $\frac{1}{2}$ of the amount will be received in cash and the balance through a Bills Receivable. For what amount Mr. P should draw a bill _____.
- (a) ₹ 3,00,000 O
(b) ₹ 6,00,000 O
(c) ₹ 2,00,000 O
(d) ₹ 2,40,000 O
23. A person who endorses a bill is called _____.
- (a) drawer O
(b) drawee O
(c) Bank O
(d) endorser O
24. Fixed assets are _____.
- (a) Kept in the business for use over a long time for earning income O
(b) Meant for resale O
(c) Meant for conversion into cash as quickly as possible O
(d) All of the above O
25. Gross profit is equal to _____.
- (a) sales – cost of goods sold O
(b) sales – closing stock + purchase O
(c) opening stock + purchases – closing stock O
(d) none of the above O
26. Income Statement of a charitable institution is known as _____.
- (a) Trading Account O
(b) Profit and Loss Account O
(c) Income and Expenditure Account O
(d) Receipts and Payments Account O
27. If sales are ₹2,000 and the rate of G.P on cost of goods sold is 25%, then the cost of goods sold will be _____.
- (a) ₹1,600 O
(b) ₹2,000 O
(c) ₹400 O
(d) ₹500 O



28. The receipts and payments account of a non-profit organization is a _____.
- (a) Nominal Account O
- (b) Real Account O
- (c) Income Statement Account O
- (d) Financial Account O
29. The capital of a non-profit organization is generally known as _____.
- (a) Equity O
- (b) Accumulated Fund O
- (c) Finance Reserve O
- (d) Cash Fund O
30. If ₹1,500 was outstanding at the beginning of the year towards subscription and ₹10,000 is received during the year, with ₹ 2,500 still outstanding at the end of the year the amount to be taken to receipts and payments account is _____.
- (a) ₹11,000 O
- (b) ₹8,500 O
- (c) ₹10,000 O
- (d) None of the above O
31. Subscription received during the year ₹ 50,000; Subscriptions outstanding at the end of the year ₹ 8,000; Subscription outstanding at the beginning of the year ₹6,000. Net Income from subscription will be—
- (a) ₹48,000 O
- (b) ₹64,000 O
- (c) ₹52,000 O
- (d) ₹36,000 O
32. By Profit & Loss Account we get _____.
- (a) Net Profit O
- (b) Capital O
- (c) Gross Profit O
- (d) Gross Loss O



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33. The information for the preparation of receipts and payments account is taken from _____.
- (a) Cash Book O
(b) Income and Expenditure Account O
(c) Cash Book and Balance Sheet O
(d) None O
34. Endowment Fund received by a club is a _____.
- (a) Revenue Receipt O
(b) Capital Receipt O
(c) Advance Payment O
(d) Revenue Payment O
35. If income is ₹16,000 and 'deficit' debited to capital fund is ₹4,300, then expenditure is _____.
- (a) ₹16,000 O
(b) ₹4,300 O
(c) ₹20,300 O
(d) None of the above O
36. Legacy are generally _____.
- (a) Capitalized O
(b) Treated Loss O
(c) Revenue Expenses O
(d) Deferred Revenue expenses O
37. Which of the following is not a relevant cost?
- (a) Replacement cost O
(b) Sunk cost O
(c) Marginal cost O
(d) Standard cost O
38. _____ costing is applied in Canteens.
- (a) Contract O
(b) Operating O
(c) Process O
(d) Batch O



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39. In case of _____ Costing, costs are ascertained only after they have been incurred.
- (a) Absorption O
(b) Standard O
(c) Historical O
(d) Marginal O
40. Opportunity cost is the best example of:
- (a) Sunk cost O
(b) Standard cost O
(c) Relevant cost O
(d) Irrelevant cost O
41. CAS _____ stands for Classification of Cost.
- (a) 2 O
(b) 1 O
(c) 6 O
(d) 4 O
42. Factory Costs = _____ Cost + Factory Overhead.
- (a) Process O
(b) Employee O
(c) Material O
(d) Prime O
43. Over which of the following costs, management is likely to have least control -
- (a) wages cost O
(b) building insurance cost O
(c) machinery breakdown cost O
(d) advertisement cost O
44. Variable costs are fixed _____.
- (a) for a period O
(b) per unit O
(c) depends upon the entity O
(d) for a particular process of production O



45. In a Passenger Transport _____ is used as an appropriate cost unit.
- (a) Room - Day O
 - (b) Patient - Day O
 - (c) Tonne – kilometre O
 - (d) Passenger - Km O
46. CAS 2 stands for _____.
- (a) Average (Equalized) Cost of Transportation O
 - (b) Material Cost O
 - (c) Capacity Determination O
 - (d) None of the above O
47. Which of the following items is excluded from cost Accounts?
- (a) Income tax O
 - (b) interest on debentures O
 - (c) cash discount O
 - (d) All of these O
48. The following is included in financial accounts, but not in cost accounts.
- (a) carriage and freight O
 - (b) Excise duty O
 - (c) Patent O
 - (d) Dividend paid O
49. Direct expenses are also known as _____.
- (a) Overhead expenses O
 - (b) Process expenses O
 - (c) Chargeable expenses O
 - (d) Factory overhead O
50. Which cost system description applies to the manufacture of 20 engraved doors for the new club house at a golf course?
- (a) contract O
 - (b) process O
 - (c) batch O
 - (d) service O