

## FINANCE AND ACCOUNTING

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Q1. Horizon Ltd. bought furniture costing Rs. 2,00,000. They have been following depreciation at 20% since 5 years on furniture. What will be the amount of depreciation at the end of the first year?

- Rs. 40,000
- Rs. 20,000
- Rs. 10,000
- Rs. 5,000

Q2. Debt-Equity ratio helps to study \_\_\_\_\_.

- Profitability
- Turnover
- Solvency
- Liquidity

Q3. Complete the formula

Prime cost + work overhead + opening work in progress - closing work in progress =

- Material cost
- Works cost
- Period cost
- Cost of production

Q4. Which of the following transactions has/have contra entries?

- (A) Paid to bank - Rs.7,000.
  - (B) Paid salaries by cheque - Rs.8,200
  - (C) Received cheque from Neeraj - Rs. 18,000
  - (D) Drew from bank for shop use - Rs.1,500
- Only 1
  - 1, 3 and 4
  - 1, 2, 3 and 4
  - None of the above

Q5. Development expenditure for a coffee industry is a \_\_\_\_\_.

- Revenue expenditure
- Deferred revenue expenditure

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- Capital expenditure