

MCQs

- Que. 1) Gaining Ratio : \
- a) New Ratio- Sacrificing Ratio
 - b) Old Ratio- Sacrificing Ratio
 - c) New Ratio- Old Ratio
 - d) Old Ratio - New Ratio
- Que, 2) A and B were partners in a firm sharing profit ration or losses equally with effect from 1st April, 2019 they agreed to share profits in the ratio of 4: 3 . Due to change in the profit sharing ratio, B's gain or sacrifice will be:
- a) Gain $\frac{1}{14}$
 - b) Sacrifice $\frac{1}{14}$
 - c) Gain $\frac{4}{7}$
 - d) Sacrifice $\frac{3}{7}$
- Que. 3). The excess amount which the firm can get on selling its assets over and above the saleable value of its assets is called.
- a) Surplus
 - b) Reserve
 - c) Super Profits
 - d) Goodwill
- Que. 4). When goodwill is not purchase, goodwill account can:
- a) Never be raised in the books
 - b) Be raised in the books
 - c) Be partially raised in the books.
 - d) Be raised as per partnership deed

Que. 5). Weighted average method of calculating goodwill be used. When goodwill be used

- a) When profits are fluctuating
- b) When profits show a trend
- c) When Profits are not equal
- d) None of the above

Que. 6). The Formula for Capitalisation of Super Profit Method is

- a) Super Profit x No. of years Purchase
- b) Super Profit x /100/Normal rate of Return
- c) (Super Profit - Normal Profit) x 100 / Normal Rate of Return
- d) None of the above

Que. 7). Which of the following is not true in relation to Goodwill

- a) It is an Intangible Asset
- b) It is a Fictitious Asset
- c) It has a realisable value
- d) All of these

Que. 8). A, B & C are partners sharing profits in the ratio of 4:3:2 decided to share profit equally. Goodwill of the firm is valued at ₹ 10, 800. Adjusting entry will be -

a) A' Capital A/c Cr. by ₹ 4, 800; . B's Capital A/c CR. by ₹ 3, 600;

C's Capital A/c Cr. by ₹ 2400

b) A' Capital A/c Cr. by ₹ 3600; B's Capital A/c CR. by ₹ 3, 600;

C' Capital A/c Cr. by ₹ 3600

Practice Questions

Q. 1. Average Profit = ₹ 80,000

Q. 2. a) Capital Employee = ₹ 6,50,000 Goodwill = ₹ 82,500

b) Capital Employee = ₹ 5,50,000 Goodwill = ₹ 1,27,500

Q. 3. a) ₹ 2,40,000 b) ₹ 60,000

c) ₹ 200,000 d) ₹ 200,000

Q. 4 ₹ 3,40,000

Q. 5 ₹ 1,20,000