

Questions	A	B	C	D	Answer
The maximum amount of capital which a company can raise is called _____ share capital.	general reserve	subscribed	authorized	uncalled capital	c
The capital which carries right to dividend at fixed rate is called _____ share capital.	calls in arrears	deduction	preference	equity	c
A company can issue _____ classes of shares.	One	Three	two	four	c
The amount of capital that a company asks its members to pay is called _____ capital.	uncalled capital	general reserve	called-up	authorized	c
The part of uncalled capital, which a company decides to call only in case of liquidation is called _____.	paid up capital	reserve capital	uncalled capital	authorized	b
The shares issued applied and allotted by a company is called _____.	general reserve	subscribed	employees	authorized	b
Sweat shares are issued to _____.	subscribed	employees	securities premium	Banks	b
Call money not paid by shareholders is called _____.	called-up	calls in arrears	Escrow	Reissue	b
Unpaid money on shares is disclosed as _____ from share capital.	deduction	general reserve	reserve capital	addition	a
Cancellation of shares for non-payment of call is called _____ of shares.	forfeiture	uncalled capital	Escrow	Reissue	a
The company making up an I.P.O. has to open _____ Account with bank	Escrow	calls in advance	capital reserve	forfeiture	a
Amount received on forfeited shares is shown as part of _____.	called-up	uncalled capital	securities premium	forfeiture	a
The amount received in excess of face value of shares is called _____.	securities premium	capital Reserve	general reserve	debenture redemption reserve	a
A company receiving amount less than face is called issue of shares at _____.	over subscription	discount	Share Application	premium	b
The profit on re-issue of forfeited shares is credited to _____.	calls in advance	capital reserve	uncalled capital	securities premium	b
The shares issued on capitalisation of reserves are called _____.	Share Application	bonus shares	capital reserve	securities premium	b
The shares offered to existing shareholders are called _____ shares.	general reserve	discount	right shares	forfeiture	c
Money received along with application or allotment of shares is credited to _____ Account.	over subscription	calls in advance	securities premium	Share Application	d
If the number of shares for which application is received exceeds issued shares, it is called _____.	calls in advance	Share Application	over subscription	under subscription	c
If the application is not accepted the money received should be _____.	capital reserve	refunded	retained	securities premium	b

In the event of part allotment of shares excess application money can be ____.	capital reserve	retained	general reserve	securities premium	b
The money received in excess of called up amount is credited to ____.	uncalled capital	calls in advance	face value	authorized	b
The total capital of a company is divided into small parts of same value is called ____.	general reserve	shares	deducted	Loan	b
The fixed value of a share is called ____ value of a share.	face value	deducted	uncalled capital	authorized	a
The amount of calls in arrears is ____ from share capital.	deducted	face value	uncalled capital	added	a
Premium on issue of shares is disclosed in Balance Sheet under ____.	reserves	uncalled capital	general reserve	Loan	a
The period of preference shares cannot exceed_____	20 years	7 years	5 years	8 years	1
Match the pair - Partly paid shares	Contingent liability	Re-purchase	Intangible having no realizable value	Optional	1
Match the pair - Buyback	Net Asset Value	Security premium	Fund investment	Re-purchase	4
Which of the following accounts can be transferred to capital	profit prior to incorporation	Forfeited shares accounts	Securities premium account	General Reserve	4
Match the pair - Fresh Issue	Transfer DRR to general reserves	Only shares	Transferred to capital reserve	Dividend cumulated	2
Match the pair - Issue of same class of shares	Not permitted	Transfer to fund	At the time of issue	Required	1
Match the pair - Terms of redemption	Dividend cumulated	Not permitted	At the time of issue	Goodwill = Average profit	3
Match the pair - Revaluation Reserves	Is not a divisible profit	Excess of FMP over normal profit	Not redeemable	Based on FMP	1
Match the pair - Loan	Compulsory under Companies Act	Is not a divisible profit	Repayment	Excess of FMP over normal profit	3
A company issue redeemable preference shares	Only at par	Only at premium	Only at discount	all of three	4
Debenture redemption Reserve is dealt with by section ____	117C	117	115	110	1
Debentures can be redeemed by _____	Coverison into shares	transfer of fixed assets	transfer of investment	endorsement of bill of exchange.	1
Match the pair - Sinking Fund	To be submitted	Optional	Fund investment	Use of securities premium	3
Match the pair - Insurance Policy	Optional	Re-purchase	Current liability	Fund investment	1
Debenture premium cannot be used to	write off discount on issue of shares or debentures	premium on redemption of shares	pay dividends	write off capital loss	3
Match the pair - Interest on fund investment	Required	Transferred to capital reserve	Only shares	Transfer to fund	4
Match the pair - After redemption	At the time of issue	Goodwill = Average profit	Transfer DRR to general reserves	Required	3

Match the pair - Debenture Redemption	Not reduction of capital	A mode of redemption	Not redeemable	Compulsory under Companies Act	1
Match the pair - Conversion to shares	Excess of FMP over normal profit	365 days	A mode of redemption	Physically destroyed	3
Match the pair - Debenture redemption reserve	Not redeemable	Compulsory under Companies Act	Based on FMP	Physically destroyed	2
The periodical interest received from investment against debenture redemption fund is credited to	profit prior to incorporation	Forfeited shares accounts	Securities premium account	Debenture redemption fund account	4
Balance of Sinking fund for redemption of debentures is shown under	Share Application	current liabilities in balance sheet	'Reserves and Surplus' in balance sheet	Assets in balance sheet	3
For computing pre- incorporation profits, Salary to Partner is	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	1
For computing pre- incorporation profits, Salary to directors	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	2
Discount allowed is	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	4
For computing pre- incorporation profits, Salaries is	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	3
Preliminary expenses written off should be charged to	Pre-incorporation Profit	Post-incorporation Profit	Trading Account	Balance sheet	2
Profits prior to incorporation should be transferred to	securities premium	capital Reserve	general reserve	debenture redemption reserve	2
Sale commission is	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	4
For computing pre- incorporation profits, Electricity is	Treated as pre-incorporation	Treated as post-incorporation	allocated in ratio of time	allocated in ratio of Sales	3
Issue of shares at a price higher than the face value is called as issue at a ____.	premium	equity	owers	None of the above	a
Liability of shareholders is ____.	limited	owers	premium	None of the above	a
Employee stock options outstanding appear in Balance Sheet under ____.	equity	general reserve	Forfeited Shares	None of the above	a
Call money on shares should not exceed ____ of the face value of shares.	20%	15%	25%		c
Share Application Account is a ____ Account.	owers	Bonus	Personal	None of the above	c
On forfeiture of shares, Share Capital Account is debited by ____ amount.	uncalled capital	general reserve	called up	None of the above	c
____ shares are the shares allotted without any consideration.	equity	owers	Bonus	None of the above	c
Discount on issue of shares is disclosed in Balance Sheet under ____ expenditure.	general reserve	Current Asset	Non-Current Asset	All of the above	c
IPO stands for ____ ____ ____.	Non-Current Asset	general reserve	Initial Public offer	All of the above	c

Profit on Re-issue of forfeited shares is transferred to _____ A/c.	capital Reserve	paid up capital	uncalled capital	All of the above	a
_____ are issued to employees for services.	sweat shares	general reserve	cumulative preference shares	All of the above	a
A private company can commence business from the date of _____.	Registration	Reserve capital	uncalled capital	All of the above	a
Dividend can be in arrears in the case of _____.	cumulative preference shares	sweat shares	paid up capital	None of the above	a
Forfeited shares A/c is added to _____.	paid up capital	capital Reserve	uncalled capital	None of the above	a
Rights shares are offered to _____.	existing	cumulative preference shares	general reserve	All of the above	a

