Assignment 1

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

The questions below have multiple choice options. Only one of them is correct. Your task is to select the most appropriate among them.

1. Annual depreciation of plant is a __________ expense?
   - Revenue expense
   - Capital expense
   - No, the answer is incorrect.
   - Accepted Answers: Revenue expense
   - 7 points

2. Replacements made to plant and machinery which significantly increase its productivity is a __________ expense?
   - Revenue expense
   - Capital expense
   - No, the answer is incorrect.
   - Accepted Answers: Capital expense
   - 7 points

3. Production wages are __________ expenses?
   - Revenue expense
   - Capital expense
   - No, the answer is incorrect.
   - Accepted Answers: Revenue expense
   - 7 points

4. A loan is taken to build an equipment. Interest accrued till the time when the equipment is ready for use is a __________ expense?
   - Revenue expense
   - Capital expense
   - No, the answer is incorrect.
   - Accepted Answers: Capital expense
   - 7 points

5. XYZ Ltd pays salary to its employee on 8th of the following month for the financial year starting 1st April, 2021 and ending 31st March, 2022. The monthly salary paid by XYZ Ltd is Rs. 30,000. What is the total amount of salary paid to the employee?
   - Rs. 360,000
   - Rs. 90,000
   - No, the answer is incorrect.
   - Accepted Answers: Rs. 360,000
   - 7 points

6. XYZ Ltd make a credit sale worth Rs. 3,00,000 to a customer on 15th Jan, 2021. The credit period is 30 days. On 4th April, 2021, XYZ Ltd debits its books of accounts on 31st March, 2021. This sale should be included in current year’s income and expense account?
   - Should
   - Should not
   - No, the answer is incorrect.
   - Accepted Answers: Should
   - 7 points

7. A company has 20,00,000 shares at Rs. 10 each. Is it a part of its net worth?
   - Yes
   - No
   - No, the answer is incorrect.
   - Accepted Answers: No
   - 7 points

Excerpts from the balance sheet of XYZ Ltd are following:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>3,50,000</td>
</tr>
<tr>
<td>Preference shares</td>
<td>1,10,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>18,000</td>
</tr>
<tr>
<td>Borrowings</td>
<td>12,000</td>
</tr>
</tbody>
</table>

Based on above data answer the following question:

8. What is the total net worth of the company?
   - 35,50,000
   - 35,20,000
   - 33,50,000
   - No, the answer is incorrect.
   - Accepted Answers: 35,50,000
   - 7 points

9. DLF invested heavily in marketing the first quarter. The benefit of this marketing campaign are said to follow for more than one accounting year. These expenses are
   - Revenue expenses
   - Capital expenses
   - No, the answer is incorrect.
   - Accepted Answers: Capital expenses
   - 7 points

10. A company made a sale worth 1,25,000 but it will receive payment only in the next financial year. CFO of the company is of the belief that the sale has been recorded in the current year’s profit and loss statement. This is in accordance with ________ principle.
    - Accrual
    - Matching
    - Consistency
    - No, the answer is incorrect.
    - Accepted Answers: Accrual
    - 7 points

Due on 2019-06-14, 23:59 IST.