

VVM'S  
RAMACRISNA MADEVA SALGAONCAR HIGHER SECONDARY SCHOOL  
MARGAO GOA

FIRST INTERNAL EXAMINATION AUGUST 2022

STD - XII AA

TIME - 1 hr

MARKS - 20

SUB - PRINCIPLES AND PRACTICE OF AUDITING

DATE: 05/08/2022

**INSTRUCTIONS**

- I. All questions are compulsory
- II. There are 20 MCQ questions in the paper
- III. Figures to the right indicate full marks

- 1. Profit from the sale of Fixed assets should be credited to ----- 1
  - a. Profit & loss A/C
  - b. Capital reserve A/C
  - c. Capital A/C
  - d. Balance sheet
  
- 2. All the payments except for petty cash should be made by -----, 1
  - a. Cheque
  - b. Cash
  - c. Blank cheque
  - d. Crossed cheque
  
- 3. Fees paid for renewal of Patents are treated as -----, 1
  - a. Capital Expenditure
  - b. Revenue Expenditure
  - c. Capital loss
  - d. Revenue loss
  
- 4. Capital goods should be recorded as -----, 1
  - a. Liabilities of the company
  - b. Fixed assets of the company
  - c. Current assets of the company
  - d. Current liabilities of the company
  
- 5. Interest received from securities should be vouched with -----, 1
  - a. Security certificate
  - b. Dividend warrants
  - c. Interest certificate
  - d. Dividend receipts
  
- 6. A documentary evidence in support of a transaction is -----, 1
  - a. Vouching
  - b. Voucher
  - c. Valuation
  - d. Verification

7. Travelling allowances paid to the directors to attend the board meeting should be authorised by -----, 1
- Article of association
  - Memorandum of association
  - Resolution in board meeting
  - Prospectus
8. Requirement of goods in particular department should be intimated to purchase department by sending -----, 1
- Purchase requisition
  - Purchase order
  - Cover note
  - Responsible officer
9. In case of payment to creditors , the payments above Rs. 20000/- should be made by -- -----, 1
- Bearer Cheque
  - Account payee crossed cheque
  - Blank cheque
  - Cash
10. Credit purchases are enters in -----, 1.
- Sales book
  - Purchase return book
  - Purchase book
  - Sales return book
11. The concealment of shortage by delaying the recording of cash receipts ----- 1
- Padding
  - Lapping
  - Tapping
  - Concealing
12. Capital goods should be recorded as -----, 1
- Current assets of the company
  - Fixed assets of the company
  - Wasting assets of the company
  - Intangible assets of the company
13. The document that needs to be examined in order to vouch Rent receivable is -----, 1
- Mortgage deed
  - Partnership deed
  - Sale deed
  - Lease deed

14. Interest received on loan given should be vouched with ----- 1
- Vouchers issued
  - Receipts issued
  - Agreement of loan
  - Balance sheet
15. Opening balances should be verified with -----, 1
- Current years audited balance sheet
  - Profit and loss account
  - Previous years audited balance sheet
  - Trial balance
16. The method wherein fraud is conducted by including the name of a dummy worker in the wage sheet is known as -----, 1
- Teeming and lading
  - Padding
  - lapping
  - Mapping
17. The auditor while vouching credit purchases of goods must see that the orders are placed by -----, 1
- Storekeeper
  - Gatekeeper
  - Responsible officer
  - Manager
18. When cash is received it should be acknowledged by means of ----- 1
- Printed vouchers
  - Printed receipts
  - Printed cash memo
  - Printed invoice
19. On arrival of goods the gatekeeper should make a record in -----, 1
- Goods inward book
  - Goods outward book
  - Purchase order book
  - Sales order book
20. Bank charges such as commission, interest on overdraft and loan should be examined with -----, 1
- Bank pass book
  - Cheque book
  - Withdrawal slips
  - Deposit slips