

Principles of Accounting Icom Part 2 English Medium Chapter 8 Online Test

Sr	Questions	Answers Choice
1	The joint stock company is formed under companies ordinance.	A. 1984 B. 1974 C. 1884 D. 1962
2	Joint stock company is an Artificial person created by	A. Law B. Federal Govt C. Registrar D. Employees
3	The company formed by the means of Royal Charter is called.	A. Public limited company B. Private limited company C. Chartered company D. Registered company
4	A company in which member gives a guarantee to contribute a specified sum to the company if it is being wound up is called.	A. Limited company B. Unlimited company C. Company limited by guarantee D. Chartered company
5	The maximum number of members in case of public limited company can be	A. Forty B. Fifty C. Sixty D. No restriction on maximum number
6	In case of public company minimum number of members is.	A. Six B. Seven C. Ten D. Fifty
7	The maximum number of members in case of private limited company can be.	A. Forty B. Fifty C. Sixty D. No restriction on maximum number
8	In case of private company minimum number of shareholders are.	A. Six B. Seven C. Ten D. Two
9	The liability of the shareholder of a public limited company is.	A. Unlimited B. Limited C. Compulsory D. None of these
10	The powers of company are governed by the.	A. Shareholders B. Memorandum of association C. Prospectus D. Articles of association
11	The shares of public limited company are.	A. Not refundable B. Not transferable C. Transferable D. No allotable
12	The person who takes the initiative in the matter of formation of a company are known as the.	A. Promoters B. Share holder C. Director D. Registered
13	The documents which contain the rules and regulations for the internal management of the company is called.	A. Prospectus B. Articles of association C. Memorandum of association D. Notice
14	The charter of the company containing the objects of which for company is being formed is called.	A. Articles of association B. Prospectus C. Memorandum of association D. Notice
15	A prospectus for subscription of shares can be issued only by.	A. Public company B. A private company C. Both public and private company D. None of these

16	A company comes into existence when the registrar issue the	A. Prospectus B. Certificate of incorporation C. statement in Lieu of prospectus D. Companies ordinance
17	The total amount of capital, in case of company is divided into small units, these units are called.	A. Bonds B. Cheque C. Share D. Reserve
18	The sum total of the nominal value of shares of company is called is.	A. Issued capital B. Subscribed capital C. Share capital D. Called up capital
19	The amount of share capital which a company is authorized to raise is called.	A. Subscribed capital B. Issued capital C. Authorized capital D. Paid up capital
20	The part of the issued capital which has been taken up or subscribed by the public is called	A. Issued capital B. Authorized capital C. Subscribed capital D. Paid up capital
21	The total amount received by the company out of the total called up amount is known as the.	A. Called up capital B. Paid up capital C. Issued capital D. Reserve capital
22	The value of the share as quoted on the stock exchange is said to be	A. Par value B. Book value C. Cost value D. Market value
23	If the price required to be paid to the company for the share is equal to the nominal value of that share it is called.	A. At discount B. At premium C. At par D. None of these
24	If the price required to be paid to the company for the share is more than nominal value of that share, it is called.	A. At discount B. At premium C. At par D. None of these
25	If the price required to be paid to the company for the share less than the nominal value of that share, it is called shares.	A. At discount B. At premium C. At par D. None of these
26	A situation where a company receives an application for a less number of shares than offered to the public for subscription is termed as.	A. Under subscription B. Over subscription C. General subscription D. Above subscription
27	A situation where a company receives an application for a large number of shares than offered to the public for subscription is termed as.	A. Under subscription B. Over subscription C. General subscription D. Above subscription
28	Normally the discount on the shares should not exceed from	A. Five percent B. Eight percent C. Twenty percent D. Ten percent
29	Equity share holders are.	A. Creditors B. Owners C. Customers of the company D. Debtors of the company
30	A certificate issued by the company under its seal acknowledging a debt due by it to its holder, is called.	A. Debenture B. Certificate of commencement C. Acknowledge certificate D. None of these
31	Debenture holders are.	A. Creditors of the company B. Owners of the company C. Customer of the company D. None of these
32	Share capital in the balance sheet is known as.	A. Asset B. Liability C. Income D. Reserve
33	Share application account is in the nature of.	A. Real account B. Personal account C. Nominal account

		C. Revenue account D. None of the above
34	The profit earned prior to the date of incorporation is.	A. Revenue profit B. Capital profit C. Capital gain D. Revenue gain
35	The debentures which are repayable at the end of a specified period are termed as.	A. Redeemable debentures B. Irredeemable debentures C. Repayable debentures D. None of these
36	Those debentures which carry no security as to payment of interest or repayment of principal, are known as.	A. Mortgage debentures B. Secured debentures C. Simple or naked debentures D. None of these
37	The dividend paid to the shareholders during the financial year is.	A. Redeemable debentures B. Irredeemable debentures C. Repayable debentures D. None of these
38	Those debentures which carry no security as to payment of interest or repayment of principal, are known as.	A. Mortgage debentures B. Secured debentures C. Simple or naked debentures D. None of these
39	The dividend paid to the shareholders during the financial year is.	A. Final dividend B. Interim dividend C. Unclaimed dividend D. Proposed dividend
40	Dividend is calculated on.	A. Registered capital B. Issue Capital C. Paid up Capital D. Subscribed Capital
41	The credit balance of the retained earnings statement represents.	A. Undistributed Profit B. Dividend declared C. Profit distributed D. None of these
42	The loss prior to the date of incorporation of a company is.	A. Revenue loss B. Capital loss C. Liability D. None of these
43	Interest on dividend is paid.	A. At the end of financial period B. During the financial year C. At the time of incorporation D. At the time of winding of company
44	The rules and regulations governing the internal management and administration of the company are called.	A. Memorandum of association B. Articles of association C. Prospectus D. None of these
45	The document which contains the fundamental conditions of incorporation and the objects for which the company was formed is called.	A. Memorandum of association B. Article of association C. Prospectus D. None of the above
46	Unclaimed dividend is shown as.	A. Asset B. Liability C. Deduction from paid up capital D. None of these
47	The debentures which are payable to bearer, are termed as.	A. Non transferable B. Registered debentures C. Bearer debentures D. Non - bearer debentures
48	Debenture holders are.	A. Creditors B. Owners C. Customers of the company D. Debtors
49	A person who purchases the share of the company becomes its.	A. Share holder B. Debenture holder C. Under writer D. Promoter
50	The face value of the share is also known as.	A. Book value B. Par value C. Market value D. None of these

A. Capital profit

51	Premium on issue of share is a.	B. Business loss C. Revenue profit D. Revenue loss
52	Ordinary shares are also known as.	A. Equity shares B. Deffered shares C. Bonus shares D. Preference shares
53	The debentures which does not carry any charges o the assets of the company.	A. Simple debentures B. Mortagage debentures C. Redeemable debentures D. None of these
54	The amount of share capital with which a company is registered is called.	A. Authorized capital B. Issued capital C. Paid up capital D. Called up capital
55	premium on issue of shares is shown in.	A. Assets side of balance sheet B. Liabilities side of balance sheet C. Trading account D. Profit and loss account
56	The owner wquity in a company is commonly called.	A. Shareholder equity B. promoters equity C. Directors equity D. None of these
57	A situation where a company receives application for a less number of shares than offered to the public for subscription is termed as.	A. Oversubscription B. Under subscription C. No subscription D. None of these
58	A situation where a company receives more application than actual number of shares offered to the public for subscriptions is termed as.	A. Oversubscription B. Udner subscription C. No subscription D. None of these
59	Kind of company is.	A. 2 B. 3 C. 4 D. 5
60	Registered company is	A. 2 B. 3 C. 4 D. 5