Which of the following is/are the component(s) of equity?
Select correct option:
- Share Capital
- Reserves
- Share Premium
- All of the given options

In which of the following activities, a business should capitalize its incurred expenditures according to IAS-38?
Select correct option:
- Development activities
- Research activities
- Both development and research activities
- None of the given options

According to IAS-38 the accounting treatment for research costs:
Select correct option:
- All research costs should be written off at the time of incurring with regard to prudence concept.
- Revenue nature expenditures are treated as expenses on the face of Income Statement whereas Capital expenditures are treated as Non-current Assets
- All research costs should be capitalized at the time of incurring with regard to materiality concept.
- No treatment is required under IAS-38

Which one of the following is related to the Benchmark Treatment for an investment in jointly controlled entities?
Select correct option:
- Proportionate Consolidation Method
- Equity Method
- LIFO Method
- Specific Identification Method

According to the Benchmark Treatment, Which of the following method is used for stock valuation?
Select correct option:
- FIFO Method or LIFO Method
- LIFO Method
- FIFO or Weighted Average Method
- Specific Identification Method

Which of the following is INCORRECT with respect to Periodic Inventory System?
Select correct option:
- Receipt of inventory is debited to Purchase Account
- Closing stock is recorded by debiting Stock Account and crediting Trading

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Account

Receipt of inventory is debited to Stock Account

No record is made for individual issue in the General Ledger

According to Companies Ordinance 1984, at least what percentage of majority favor is required to pass the "Special Resolution"?

Select correct option:

45%

60%

75%

90%

Which of the following is the Classification of Current Assets with respect to the Companies Ordinance 1984?

Select correct option:

Building

Land

Premises

Marketable Securities

Identify which of the following techniques for valuing inventory are allowed under IAS-2? (i) FIFO (First in First Out) (ii) Average cost (iii) LIFO (Last in First Out) (iv) Replacement cost

Select correct option:

(i), (ii), (iii), (iv)

(i), (ii), (iv)

(i), (ii)

(iii), (iv)

baatao

ABC Chemicals Ltd. acquired an asset in year 2005. After five years, it has been assessed that the carrying value of asset is significantly higher than its recoverable value. What does this situation called in accounting language?

Select correct option:

Exchange loss

Appreciation

Depreciation

Impairment loss

Which one the following risk will arise when financial instruments fluctuate due to changes in foreign exchange rates?

Select correct option:

Credit Risk

Cash Flow Risk

Liquidity Risk

None of the given options

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Under which of the following methods for inventory valuation, costs of earliest purchases assumed still to be in inventory?
Select correct option:

FIFO Method
LIFO Method
Weighted Average Method
Specific Identification Method

If the holding company owns100% shares of the subsidiary company then the subsidiary type will be termed as:
Select correct option:

Partially Owned Subsidiary
Wholly Owned Subsidiary
Direct Subsidiary
Indirect Subsidiary

Surplus on revaluation of an asset is a/an:
Select correct option:

Realized reserve
Notional reserve
Actual reserve
Repurchased reserve

A debit balance of Rs.5,000 on A's account in the books of B means that:
Select correct option:

A is receivable of B
B is receivable of A
B owes A
A owes B

When we see the capital with respect to the net assets then it is called:
Select correct option:

The financial concept of capital maintenance
The physical concept of capital maintenance
Both physical and financial concept of capital maintenance
Neither physical nor financial concept of capital maintenance

According to IAS-16, property, plant and equipment are the assets which held for
Select correct option:

Production of goods or services
Supply of goods or services

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Administrative purpose
All of the given options

Purchases of assets financed through issue of debentures
Assets that are not currently in use because of excess capacity
Assets not currently undergoing activities necessary to prepare for intended use
Assets intended for sale or use that are produced as discrete projects

Which one of the following is NOT an example of Financial Risk?
Select correct option:
- Market risk
- Credit risk
- Liquidity risk
- Security risk

When we see the capital with respect to the net assets then it is called:
Select correct option:
The financial concept of capital maintenance
The physical concept of capital maintenance
Both physical and financial concept of capital maintenance
Neither physical nor financial concept of capital maintenance

Which of the following may consist of more than 20 persons in case of partnership?
Select correct option:
Firms of Lawyers
Firms of Doctors
Firms of Associates
All of the given options

What will be the result of increase in the allowances for debtors?
Select correct option:
It will decrease in debtors and increase in profit
It will increase in debtors and decrease in profit
It will decrease in debtors and decrease in profit
It will increase in debtors and increase in profit

Loans that have to be repaid within one month are treated as:
Select correct option:
Short Term Liabilities
Long Term Liabilities
Contingent Liabilities
Medium Term Loans

Which of the following is INCORRECT for equity of a Public Limited Company?
Select correct option:
Equity = Total Assets – Total Liabilities
Equity = Share Capital + General Reserves + Revenue Reserves

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Equity = Share Capital + Reserves
Equity = Share Premium + Reserves

Which of the followings information(s) should be disclosed by a company in respect of long term loans made to others?
Select correct option:
Interest rate
Period or installments for loan repayment
Any other terms and conditions which have material effects
All of the given options

Which of the following is related to the qualitative characteristics that make financial information useful?
Select correct option:
Understandability
Comparability
Both Understandability and Comparability
Reliability and Relevancy

Which of the following represents the Qualifying Asset?
Select correct option:
Inventory routinely manufactured
Asset ready for use
Manufacturing plants
None of the given options

Depreciation is best described as:
Select correct option:
A decline in the market value of the assets
A means of expanding the net-cost of non-current assets over their useful life
A source of estimating the amount of money needed to replace the assets
A means of spreading the payment for non-current assets over a period of years

Which of the following is/are the physical asset(s)?
Select correct option:
Term Finance Certificates
Loan Agreements
Trade Receivables
All of the given options

Which activities by definition do not fulfill the recognition criteria according to IAS-38?
Select correct option:

Development activities
Research activities
Both development and research activities
None of the given options

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Which of the following entities is not profit oriented entity?
Select correct option:

Sole - proprietorship
Partnership
Companies
Foundations

In which of the followings system(s) FIFO and Weighted Average cost methods of inventory are used?
Select correct option:

Perpetual
Periodic System
Both Perpetual & Periodic System
None of the given options

Which of the following asset is not an example of Intangible Fixed Assets?
Select correct option:

Vehicles
Good Will
Copyrights
Trade Marks and Designs

Which of the following methodology is adopted for the valuation of investments in associated companies?
Select correct option:

Equity Method
At cost or Under IAS 39
At amortized cost
At fair value

According to Companies Ordinance 1984, at least what percentage of majority favor is required to pass the "Special Resolution"?
Select correct option:

45%
60%
75%
90%

According to IAS-16, at which amount assets can be recorded in the books of accounts of a company?
Select correct option:

Cost amount

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Realization amount
Revalued amount
Both cost & revalued amount

Which of the following is(are) example(s) of Borrowing costs?
Select correct option:

Interest on bank overdrafts
Interest on short-term borrowings
Interest on long-term borrowings
All of the given options

In which year, local legislations of Pakistan permitted to make private limited company by a single person?
Select correct option:

2002
2001
2000
1999

Which of the following statement is/are INCORRECT under the Cost Method for recognition of investment in associated companies?
Select correct option:

Any distribution of profits by the investee company is recorded as an expense
Any distribution of profits by the investor company is recorded as an income
The carrying amount of the investment is increased or decreased to reorganize the investor's share of profits or losses of the investee after the date of acquisition
All of the given options

Which of the following asset is NOT an example of Tangible Fixed Assets?
Select correct option:

Patent rights
Furniture
Vehicles
Machinery

Which of the following sections of the Companies Ordinance 1984 is related to the Annual General Meeting?
Select correct option:

Section 157
Section 158
Section 159
Section 160

Who sign the Memorandum of Association (MOA) of a company?
Select correct option:

Promoters of the company

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Managers of the company
Employees of the company
All of the given options

Which of the following is an identifiable non-monetary asset without physical substance?
Select correct option:
Tangible Asset
Intangible Asset
Floating Asset
Circulating Asset

A Private limited company can be formed at least by:
Select correct option:
2 members
3 members
1 member
07 members

Which of the following is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use?
Select correct option:
Applied research
Development
Business research
Accounting

Which of the following is recorded under Long Term Liabilities section of the Balance Sheet?
Select correct option:
Debentures
Creditors
Provision for Taxation
Dividend Payable

Which of the following investment are recorded using Cost Method?
Select correct option:
Investments made for longer period
Investments made for shorter period
Investments made for shorter and longer period
None of the given options

SECP (Securities and Exchange Commission of Pakistan) is governed by the
Select correct option:

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Ministry of Interior
Ministry of Affairs
Ministry of Finance
Ministry of Commerce

Which of the following statement is/are INCORRECT under the Cost Method for recognition of investment in associated companies?
Select correct option:
Any distribution of profits by the investee company is recorded as an expense
Any distribution of profits by the investor company is recorded as an income
The carrying amount of the investment is increased or decreased to reorganize the investor's share of profits or losses of the investee after the date of acquisition
All of the given options

Company ABC is limited by shares which incorporated in the year of 2005. At the time of incorporation, the Memorandum of Association was developed according to which section of Companies Ordinance 1984?
Select correct option:

Section 16
Section 17
Section 18
Section 19

An inventory valuation system should exclude the cost of:
Select correct option:

Carriage in
Carriage out
Both Carriage in & Carriage out
None of the given options

In which of the following scenario(s) an investor should record the investment by using cost method according to IAS-28?
Select correct option:

When investment is solely acquired for the purpose of disposal in near future
When investment is solely acquired for the purpose of long term retaining in future
When investment is solely acquired for the unlimited period
All of the given options

How many methods are allowed for recognition of investment in associated business in accordance with "International Accounting Standards"?
Select correct option:

4
3
2
5

A Partnership firm has a maximum ____ numbers of partners.
Select correct option:

20
15
10
02

Which of the following methodology is adopted for the valuation of investments in associated companies?
Select correct option:

Equity Method
At cost or Under IAS 39
At amortized cost
At fair value

Which of the following option is/are TRUE with respect to the Disclosure requirement for intangible assets acquired by the way of Government grants?
Select correct option:

The fair value initially recognized
Disclosure for carrying amount
Disclosure for the amount of commitments for acquisition of intangible assets
All of the given options

In which of the followings has the exception to commence its operational activities without having paid up capital?
Select correct option:

Company limited by guarantee
Sole proprietorship
Company limited by shares
Partnership

Concept of Related Parties is defined in:
Select correct option:

Companies Ordinance 1984
IAS
Both Companies Ordinance 1984 and IAS
Neither in Companies Ordinance 1984 nor in IAS

Which one of the following is the main objective of IAS (International Accounting Standards)?
Select correct option:

To provide the basis to make an audit opinion

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To provide the basis for presentation of financial statements
To provide the basis for production decisions
None of the given

Which of the following is(are) example(s) of Borrowing costs?
Select correct option:

Interest on bank overdrafts
Interest on short-term borrowings
Interest on long-term borrowings
All of the given options

How many person(s) is(are) required to takeover the business after the death of a member in case of Single Member company?
Select correct option:

Seven
Three
Two
One

Sitara Textile is using the prudence concept to record the profit in its income statement. According to prudence concept, Sitara Textile will record profit when it is:
Select correct option:

Expected
Realized
Material
Received

In the meeting of BODs of WAPDA, it is signed by mutual consent that "Revenues and expenses should be recognized in the period in which they are earned or incurred." This statement reflects the concept of:
Select correct option:

Materiality
Accrual Basis
Cash Basis
None of the Above

In which of the followings system(s) FIFO and Weighted Average cost methods of inventory are used?
Select correct option:

Perpetual System
Periodic System
Both Perpetual & Periodic System
None of the given options

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Concept of Related Parties is defined in:
Select correct option:

Companies Ordinance 1984
IAS
Both Companies Ordinance 1984 and IAS
Neither in Companies Ordinance 1984 nor in IAS

Revaluation of asset is conducted by:
Select correct option:

Directors
Shareholders
Managers
Professional Qualified Valuers

Which one of the following is NOT recorded under Equity section of the Balance Sheet?
Select correct option:

Share Premium
Share Capital
Accumulated Profit
Dividend Payable

Accounting concept which presents non current assets should be valued at cost less accumulated depreciation rather than their imposed sale-able value is the concept.
Select correct option:

Going Concern
Materiality
Accrual Basis
Prudence

Which of the following is/are the source/s for the issuance of bonus shares?
Select correct option:

Profit and loss appropriation account
Share premium account
Revenue reserve
All of the given options

If Original cost is Rs. 100,000; Depreciation rate is 20% p.a. using straight line method; what will be the value of accumulated depreciation at the end of 2nd year?
Select correct option:

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Rs. 20,000
Rs. 40,000
Rs. 80,000
Rs. 60,000

According to IAS-16, at which value assets are initially measured?
Select correct option:

Cost value
Realization value
Replacement value
All of the given options

If an intangible resource does not fulfill the criteria of intangible asset then what will be the treatment of expenditures incurred to acquire such intangible resource?
Select correct option:

It will be recorded as non-current asset of the company
It will be recorded as an expense for the period
It will be recorded as current asset of the company
It will be recorded as capital of the company

Which of the following is (are) example(s) of intangible asset(s)?
Select correct option:

Copyright
Trademark
Royalty
All of the given options

Which of the following is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding?
Select correct option:

Research
Development
Audit
Accounting

Which of the following IAS affect(s) the recognition, presentation and discourse of fixed assets in financial statements?
Select correct option:

IAS 01
IAS 16
IAS 23
All of the given options

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Which of the following is a rebate or allowance from the scheduled price granted by the seller to the buyer?
Select correct option:

Trade Discount
Cash Discount
Purchases return

Which of the following intangible assets have un-limited life?
Select correct option:

Copyright
Goodwill
Licensing
Franchising

Reference:
Copyright:
In Pakistan following formula is used for the useful life of copyright: author's life plus an additional 50 years after the author's death. In the case of "a joint work prepared by two or more authors who did not work for hire," the term lasts for 50 years after the last surviving author's death. For works made for hire, and for anonymous and pseudonymous works the duration of copyright will be **50 years** from publication.
Good will: Up to a period not to exceed **40 years**.
Franchising and licensing are for the particular time period which will be mentioned in the **contract** by the parties involved in it.

Which of the following IAS deals with Inventories

IAS 38
IAS 23
IAS 02
IAS 16

If an intangible resource does not fulfill the criteria of intangible asset then what will be the treatment of expenditures incurred to acquire such intangible resource?
Select correct option:

It will be recorded as non-current asset of the company
It will be recorded as an expense for the period
It will be recorded as current asset of the company
It will be recorded as capital of the company

Which of the following is the deduction or allowance allowed by a creditor to a debtor?

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Select correct option:

Trade Discount
Cash Discount
Purchases return
Sales return

What is the treatment of Accumulated Depreciation in accounting?
Select correct option:

Treated as a reserve
Treated as a contra asset
Treated as a surplus
Treated as an expense

Which one of the following is related to IAS 32 & 39?
Select correct option:

Property, Plant & Equipment
Inventory
Financial Statements
Financial Instruments

Which one of the following is a fixed asset?
Select correct option:

Cash in hand
Advanced payment
Closing stock
Leasehold vehicle

Which of the following is INCORRECT with respect to Perpetual Inventory System?
Select correct option:

Receipt of inventory is debited to Stock Account
Issuance of inventory is Credited to Stock Account and Debited to Material Consumption Account
Receipt of inventory is debited to Purchase Account
Material Consumption Account becomes the part of Trading Account

Which one of the following is TRUE with respect to "FIFO" in inventory valuation?
Select correct option:

First-In-First-Out
First-In-Freight-Out
Freight-In-First-Out
Freight-In-Freight-Out

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Partnership firms are registered under which of the following?
Select correct option:

Partnership Act 1932
Companies Ordinance 1984
Partnership Agreement
Income Tax Ordinance 1979

In which year, local legislations of Pakistan permitted to make private limited company by a single person?
Select correct option:

2002
2001
2000
1999

Which of the following IAS deals with Inventories?
Select correct option:

IAS 38
IAS 23
IAS 02
IAS 16

Which of the following is NOT a Qualifying Asset?
Select correct option:

Power plant being in the process of manufacturing
Inventories requiring a substantial period for manufacturing
Special order for a special inventory that will be manufactured in 5 months
Asset ready for use

According to IAS-16, at which amount assets can be recorded in the books of accounts of a company?
Select correct option:

Cost amount
Realization amount
Revalued amount
Both cost & revalued amount

An inventory valuation system should include the cost of:
Select correct option:

Carriage in
Carriage out

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Both Carriage in & Carriage out
None of the given options

In relation to the valuation of inventory, net realizable value means:
Select correct option:

The expected selling price less disposal costs less the cost of completion
The expected selling price of the inventory
The replacement cost of the inventory
The market price of the inventory

Which of the following is/are INCORRECT with respect to the Capital section of the balance sheet for a sole-proprietorship?
Select correct option:

Opening Capital – New Capital + Profit for the year = Closing Capital
Opening Capital – New Capital + Loss for the year = Closing Capital
Opening Capital – Loss for the year + Drawings = Closing Capital
All of the given options

Reference: -
Capital section of the balance sheet for a sole-proprietorship is as follows.

- Opening Capital + New Capital + Profit for the year = Closing Capital
- Opening Capital + New Capital - Loss for the year = Closing Capital
- Opening Capital – Loss for the year - Drawings = Closing Capital

Which of the following is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding?
Select correct option:

Research
Development
Audit
Accounting

Which of the following IAS deals with the Associated Companies?
Select correct option:

IAS 27
IAS 28
IAS 01
IAS 07
07

Who elect the Managing Director of a company?
Select correct option:

Board of Managers
Board of Employees

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Board of Directors
Board of Revenue

Which of the following is Not a qualitative characteristic of financial statements according to the IASB's Framework?
Select correct option:

Materiality
Understandability
Comparability
Relevance
Note!
In this case you can select any one.

Refrence
Qualitative Characteristics

The financial statement should possess following qualitative characteristics:

1. **Understandability:**
2. **Relevance:**
3. **Materiality:**
4. **Reliability:**
5. **Faithful representation:**
6. **Substance over form:**
7. **Neutrality:**
8. **Prudence:**
9. **Completeness:**
10. **Comparability:**
11. **Timeliness:**
12. **Balance between cost and benefit:**
13. **Balance between qualitative characteristics:**
14. **True and fair presentation:**

Which of the following is the correct formula to find the Present Value? Where r = Interest rate and n = Time period
Select correct option:

Future value X 1/ (1 + r)^n
Future value X 1/(1 + r)^-n
Future value (1 - r)^-n
Future value (1 x r)^-n

Which of the following is/are the type(s) of stock for manufacturing concerns?

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Select correct option:

Raw Material
Work in Process
Finished Goods
All of the given options

According to Companies Ordinance 1984, minimum number of member/members in public unlisted company must be:
Select correct option:

1
3
2
7

In which document the information about how to run the business is stated?
Select correct option:

Memorandum of Association
Memorandum of Understanding
Articles of Association 1st schedule
Annual Report

Which of the following is/are excluded from Financial Assets?
Select correct option:

Physical Assets
Inventories
Prepaid expenses
All of the given options

Which of the followings information(s) should be disclosed by a company in respect of long term loans made to others?
Select correct option:

Interest rate
Period or installments for loan repayment
Any other terms and conditions which have material effects
All of the given options

Which of the following is (are) related with the IAS 23?
Select correct option:

Qualifying Assets
Amount to be capitalized related to the Borrowing cost
Capitalization period related to the Borrowing cost
All of the given options

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Under which of the following assumptions, the Financial Statements are to be prepared?
Select correct option:

Future assumption
Past assumption
Accrual basis and Going concern assumptions
Accrual basis assumption only

Which one of the following is related to the Allowed Alternative Treatment for an investment in jointly controlled entities?
Select correct option:

Proportionate Consolidation Method
Equity Method
Weighted Average Method
Sum of Year Digit Method

Which of the following is an artificial person recognized by law?
Select correct option:

Limited company
Partnership
Sole-proprietorship
Trust

Which of the following is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction?
Select correct option:

Depreciable Amount
Fair Value
Cost
Carrying Amount

Which organizations are required special approvals from SECP for their establishment?
Select correct option:

Manufacturing Organizations
Non Profit Organizations
Profit Making Organizations
Service Organizations

Which of the following investments are recorded using Equity Method?
Select correct option:

Investments made for longer period

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Investments made for shorter period
Investments made for shorter and longer period
None of the given options

Which of the fallowing is TRUE with respect to Liability?
Select correct option:

It is a present obligation of the entity arising from a past event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
It is a past obligation of the entity arising from a future event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
It is a present obligation of the entity arising from a past event the settlement of which is expected to result in an inflow from the entity of resources embodying economic benefits.
It is not a present obligation of the entity arising from a past event the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Which one of the following is an example of Financial Asset?
Select correct option:

Inventories
Patent rights
Goodwill
Accounts receivable

Which of the following is shown on the liability side of Balance Sheet?
Select correct option:

Discount on issue of shares
Premium on issue of shares
Preliminary expenses

Which of the following statement is/are INCORRECT under the Cost Method for recognition of investment in associated companies?
Select correct option:

Any distribution of profits by the investee company is recorded as an expense
Any distribution of profits by the investor company is recorded as an income
The carrying amount of the investment is increased or decreased to reorganize the investor's share of profits or losses of the investee after the date of acquisition
All of the given options

If Original cost is Rs. 100,000; Depreciation rate is 20% p.a. using straight line method; what will be the value of accumulated depreciation at the end of 2nd year?

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Select correct option:

Rs. 20,000
Rs. 40,000
Rs. 80,000
Rs. 60,000

In balance sheet, surplus on revaluation of fixed assets is shown as part of:
Select correct option:

Fixed assets on asset side
Current assets on asset side
Capital on liabilities side
Current liabilities on liabilities side

When it is appropriate for a company to use Weighted Average Cost method of inventory?
Select correct option:

When prices of materials are more stable
When prices of materials are more volatile
When prices of materials are constantly decreasing
When prices of materials are constantly increasing

Which of the following is/are the Classification of Current Assets with respect to the Companies Ordinance 1984?
Select correct option:

Cash Balance
Loans and Advances
Bank Balance
All of the given options

Which is/are the qualitative characteristic/ characteristics of financial statements according to the IASB's Framework?
Select correct option:

Understandability
Comparability
Relevance
All of the given

Which of the following is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use?
Select correct option:

Applied research

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Development
Business research
Accounting

Which of the following is INCORRECT with respect to Periodic Inventory System?
Select correct option:

Receipt of inventory is debited to Purchase Account
Closing stock is recorded by debiting Stock Account and crediting Trading Account
Receipt of inventory is debited to Stock Account
No record is made for individual issue in the General Ledger

Which of the following is TRUE about the changes due to issuance of bonus shares?
Select correct option:

Decrease in reserves and surpluses
Increase in reserves and surpluses
Increase in working capital
Decrease in working capital

In financial year 2010, a company XYZ (Pvt.) Ltd. was established with registered office in Islamabad. According to Companies Ordinance 1984, what will be the maximum number of shareholders of company XYZ (Pvt.) Ltd.?
Select correct option:

7
20
50
15

Section 96 of the Companies ordinance 1984 is applied on which of the following companies?
Select correct option:

Listed companies only
Non listed companies only
Private companies only
All companies

Which of the following is Not a qualitative characteristic of financial statements according to the IASB's Framework?
Select correct option:

Materiality
Understandability

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Comparability
Relevance

Which of the followings head(s) can be the part of "Deferred Cost"?
Select correct option:

Discount allowed on the issue of shares by a company
Brokerage fee on the issue of shares by a company
Preliminary expenses incurred by a company
All of the given options

Which of the following is another name for Authorized Capital of a company?
Select correct option:

Nominal Capital
Issued Capital
Subscribed Capital
Paid up Capital

A debit balance of Rs.5,000 on A's account in the books of B means that:
Select correct option:

A is receivable of B
B is receivable of A
B owes A
A owes B

Preparation and presentation of Financial Statements are governed by:
Select correct option:

Companies Ordinance 1984
International Accounting Standards
International Financial Reporting Standards
All of the given options

Which type of lease is normally long term and transfers all the risks and rewards of ownership?
Select correct option:

Finance lease
Operating lease
Sale & lease back
Hire Purchase Agreement

Which of the following may result for an inability to sell a financial asset quickly at close to its fair value?
Select correct option:

Price Risk

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Liquidity Risk
Interest Rate Risk
Currency Risk

Which of the following IAS deals with Inventories?
Select correct option:

IAS 38
IAS 23
IAS 02
IAS 16

In which of the followings system(s) FIFO and Weighted Average cost methods of inventory are used?
Select correct option:

Perpetual System
Periodic System
Both Perpetual & Periodic System
None of the given options

Which type of lease is normally Not long term and transfers all the risks and rewards of ownership?
Select correct option:

Finance lease
Operating lease
Sale & lease back
Hire Purchase Agreement

Which of the following is/are the type(s) of stock for manufacturing concerns?
Select correct option:

Raw Material
Work in Process
Finished Goods
All of the given options

Which one of the following is the main objective of IAS (International Accounting Standards)?
Select correct option:

To provide the basis to make an audit opinion
To provide the basis for presentation of financial statements
To provide the basis for production decisions
None of the given

Which one of the following is a method of stock valuation?
Select correct option:

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Diminishing Balance Method
Written Down Value Method
Specific Identification Method
Sum of Year Digit Method

Which of the following IAS deals with the Intangible Assets?
Select correct option:

IAS 38
IAS 23
IAS 01
IAS 16

What is the allowed alternative treatment of borrowing cost under IAS-23?
Select correct option:

It should be charged as an expense
It should be capitalized
It should be both charged as an expense and capitalized
None of the given options

When it is appropriate for a company to use Weighted Average Cost method of inventory?
Select correct option:

When prices of materials are more stable
When prices of materials are more volatile
When prices of materials are constantly decreasing
When prices of materials are constantly increasing

Which of the following items qualify as an intangible asset according to IAS-38?
Select correct option:

Promotion and advertising on the launching of a famous product
University tuition fee paid to employees who decide to enroll in MBA program at VU while working with the company
Operational loss incurred at the initial stages of a new project
Registration charges paid to intellectual property lawyer for registering a patent

Which document contains the information about authorized share capital of a company?
Select correct option:

Memorandum of Association
Memorandum of Undertaking
Memorandum of Understanding
Both Memorandum of Association & Memorandum of Understanding

According to fourth schedule of Companies Ordinance 1984, a manufacturing company made the treatment of loose tools and spare would be valued at:
Select correct option:

Lower of cost or NRV
Actual price
Market price
Cost price

Which of the following asset is not an example of Intangible Fixed Assets?
Select correct option:

Vehicles
Good Will
Copyrights
Trade Marks and Designs

Which of the following is/are equal to "Capital"?
Select correct option:

Net Assets
Assets – Liabilities
Net worth of the firm
All of the given options

Which of the following is/are related to the IAS-37?
Select correct option:

Provisions
Contingent Liabilities
Contingent Assets
All of the given options

Which of the following is (are) related with the IAS 23?
Select correct option:

Qualifying Assets
Amount to be capitalized related to the Borrowing cost
Capitalization period related to the Borrowing cost
All of the given options

In the meeting of BODs of WAPDA, it is signed by mutual consent that "Revenues and expenses should be recognized in the period in which they are earned or incurred." This statement reflects the concept of:
Select correct option:

Materiality
Accrual Basis
Cash Basis
None of the Above

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Minimum Lease Payment = ----------.
Select correct option:

Initial Payments + Contingent rent – Down Payments
Initial Payments + All lease rentals + Contingent rent
Initial Payments + Insurance paid by lessor and recovered from lessee + Any lease processing charges
Initial Payments + All lease rentals + Any amount that is guaranteed to be paid during or at the end of the lease term

Which of the following is NOT a current liability?
Select correct option:

Accounts payable
Accrued liabilities
Bills payable
Bonds payable

Which of the following is (are) intangible resources for a company?
Select correct option:

Software licensing
Royalty
Production rights
All of the given options

Which of the following is an example of current liability?
Select correct option:

Account Receivable
Debenture
Loan given to Mr. A for shorter period
Loan received form Mr. B for shorter period

Which of the following is/are NOT the example(s) of Financial Asset?
Select correct option:

Minority interest
Sale of goods
Purchases of goods
All of the given options

What is the minimum limitation for subscribers for holding shares of the company?
Select correct option:

One share
Five shares
Ten shares
Hundred shares

The concepts of present value and future value are:
Select correct option:

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Directly related to each other
Not related to each other
Proportionately related to each other
Inversely related to each other

ABC Co. exchanges its production machine with filtration plant from XYZ Co. At what value ABC Co. will record the filteration plant in its books of accounts?
Select correct option:

Carrying value of filteration plant
Realization value of filteration plant
Residual value of filteration plant
Fair value of filteration plant

Which of the following schedule of the Company Ordinance 1984 is related to the classification of intangible assets?
Select correct option:

4th schedule
5th schedule
6th schedule
2nd schedule

Which of the following IAS covers the Long-Term Financing?
Select correct option:

IAS 32 only
IAS 39 only
Both IAS 32 and IAS 39
IAS 17

Which one of the following expenses should be included in prime cost?
Select correct option:

Repairs to factory plant
Office salaries
Factory insurance
Direct production wages

Which of the following section of the Companies Ordinance 1984 deals with Revaluation of Fixed Assets?
Select correct option:

Section 235
Section 236
Section 237
Section 238

Minimum Lease Payment = ----------.

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Select correct option:

Initial Payments + Contingent rent – Down Payments
Initial Payments + All lease rentals + Contingent rent
Initial Payments + Insurance paid by lessor and recovered from lessee + Any lease processing charges
Initial Payments + All lease rentals + Any amount that is guaranteed to be paid during or at the end of the lease term

What is the treatment of Depreciation in accounting?
Select correct option:

Treated as a reserve
Treated as an expense
Treated as a surplus
Treated as a Liability

If an intangible resource does not fulfill the criteria of intangible asset then what will be the treatment of expenditures incurred to acquire such intangible resource?
Select correct option:

It will be recorded as non-current asset of the company
It will be recorded as an expense for the period
It will be recorded as current asset of the company
It will be recorded as capital of the company

When we see the capital with respect to the net assets then it is called:
Select correct option:

The financial concept of capital maintenance
The physical concept of capital maintenance
Both physical and financial concept of capital maintenance
Neither physical nor financial concept of capital maintenance

Which is/are the qualitative characteristic/ characteristics of financial statements according to the IASB's Framework?
Select correct option:

Understandability
Comparability
Relevance
All of the given

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