



BUDDHA SERIES

(Unit Wise Solved Question & Answers)

Course – B.Com 5th Sem

College – Buddha Degree College

(DDU Code-859)

Department: Commerce

Subject: Corporate Accounting-I

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Unit -I

1. **A share is a:**

- A) Debenture
- B) Loan
- C) Part of ownership in a company
- D) Liability

Answer: C

2. **What is the liability of a shareholder in a company limited by shares?**

- A) Unlimited
- B) Limited to the unpaid amount on shares
- C) Limited to assets held
- D) None

Answer: B

3. **Shares that carry preferential rights regarding dividend and repayment of capital are called:**

- A) Equity Shares
- B) Debentures
- C) Preference Shares
- D) Bonus Shares

Answer: C

4. **Which shares carry voting rights?**

- A) Equity Shares
- B) Preference Shares
- C) Debentures
- D) Bonds

Answer: A

5. **Equity shareholders are also known as:**

- A) Owners
- B) Creditors
- C) Borrowers
- D) Partners

Answer: A

6. **Which share does not carry fixed rate of dividend?**

- A) Equity
- B) Preference
- C) Cumulative preference
- D) Redeemable preference

Answer: A

7. **Preference shares with no fixed maturity date are called:**

- A) Redeemable
- B) Irredeemable
- C) Convertible
- D) Bonus

Answer: B

8. **Shares issued as a gift to existing shareholders are:**

- A) Right Shares
- B) Bonus Shares
- C) Preference Shares
- D) Convertible Shares

Answer: B

9. **Cumulative preference shares are those which:**

- A) Get fixed dividend every year
- B) Accumulate unpaid dividend
- C) Cannot be redeemed
- D) Do not vote

Answer: B

10. **Which shares can be converted into equity shares?**

- A) Irredeemable preference shares
- B) Non-convertible preference shares
- C) Convertible preference shares
- D) Equity shares

Answer: C

11. **Equity shareholders get dividend:**

- A) At a fixed rate
- B) At a guaranteed rate
- C) At fluctuating rate
- D) Never

Answer: C

12. **Preference shareholders are preferred over equity shareholders in:**

- A) Voting
- B) Profit sharing
- C) Repayment of capital
- D) Board decisions

Answer: C

13. **Preference shareholders have:**

- A) No right to dividend
- B) Equal voting rights
- C) Fixed dividend
- D) More risk than equity

Answer: C

14. **Which shareholders are known as residual claimants?**

- A) Preference
- B) Equity
- C) Debenture holders
- D) Directors

Answer: B

15. **Preference shares are similar to:**

- A) Equity
- B) Debentures

- C) Bonds
- D) Fixed Deposits

Answer: B

16. Authorized capital is also called:

- A) Nominal capital
- B) Subscribed capital
- C) Paid-up capital
- D) Reserve capital

Answer: A

17. The portion of issued capital actually taken up by the public is called:

- A) Paid-up capital
- B) Subscribed capital
- C) Called-up capital
- D) Reserve capital

Answer: B

18. Capital which is called by the company and paid by shareholders is called:

- A) Issued capital
- B) Called-up capital
- C) Paid-up capital
- D) Reserve capital

Answer: C

19. The portion of capital not yet called by the company is called:

- A) Uncalled capital
- B) Paid-up capital
- C) Issued capital
- D) Reserve capital

Answer: A

20. Which capital cannot be called up except during winding up?

- A) Issued capital
- B) Reserve capital
- C) Paid-up capital
- D) Subscribed capital

Answer: B

21. Shares issued at a price more than face value are issued at:

- A) Par
- B) Discount
- C) Premium
- D) Market value

Answer: C

22. SEBI allows issue of shares at a discount in case of:

- A) IPO
- B) Rights issue
- C) Sweat equity

D) Bonus shares

Answer: C

23. **The amount called by the company at the time of allotment is called:**

A) Application money

B) Allotment money

C) Call money

D) Paid-up capital

Answer: B

24. **The minimum subscription should be received within:**

A) 90 days

B) 30 days

C) 60 days

D) 120 days

Answer: B

25. **Over-subscription refers to:**

A) Less shares applied

B) Shares applied = shares issued

C) Shares applied > shares offered

D) Shares not subscribed

Answer: C

UNIT II

26. **When a shareholder fails to pay call money, the company can:**

- A) Cancel shares
- B) Forfeit shares
- C) Convert to preference
- D) Cancel dividend

Answer: B

27. **The amount already paid on forfeited shares is:**

- A) Refunded
- B) Credited to Capital Reserve
- C) Debited to P&L
- D) Treated as income

Answer: B

28. **Forfeited shares can be:**

- A) Destroyed
- B) Sold in open market
- C) Reissued
- D) Donated

Answer: C

29. **Reissue price of forfeited shares should not be:**

- A) More than face value
- B) More than original issue price
- C) Less than face value
- D) More than paid-up value

Answer: B

30. **Profit on reissue of forfeited shares is transferred to:**

- A) General Reserve
- B) Capital Reserve
- C) P&L Account
- D) Share Capital

Answer: B

31. **Preference shares can be redeemed only out of:**

- A) Fresh issue of equity shares
- B) Free reserves or profits
- C) Revaluation reserve
- D) Bonus issue

Answer: B

32. **Redeemable preference shares must be redeemed within:**

- A) 10 years
- B) 15 years
- C) 20 years
- D) 30 years

Answer: C

33. Redemption of preference shares cannot be done from:

- A) Securities premium
- B) Capital redemption reserve
- C) Fresh issue of shares
- D) Proceeds of debentures

Answer: D

34. Which reserve is created on redemption of preference shares?

- A) General Reserve
- B) Capital Reserve
- C) Capital Redemption Reserve
- D) Revenue Reserve

Answer: C

35. Redemption of preference shares leads to:

- A) Increase in liabilities
- B) Increase in assets
- C) Reduction in share capital
- D) Increase in net worth

Answer: C

36. Right shares are issued to:

- A) General public
- B) Government
- C) Existing shareholders
- D) Debenture holders

Answer: C

37. Bonus shares are issued from:

- A) Cash proceeds
- B) Profit and loss account
- C) Free reserves
- D) Preference share capital

Answer: C

38. Shares issued to employees as incentive are called:

- A) ESOP
- B) Sweat equity shares
- C) Rights issue
- D) Bonds

Answer: B

39. Shares that do not get unpaid dividend accumulated are called:

- A) Cumulative
- B) Non-cumulative
- C) Participating
- D) Redeemable

Answer: B

40. Voting rights are not available to:

- A) Equity shareholders
- B) Preference shareholders

- C) Founders
- D) Majority shareholders

Answer: B

41. **If 1,000 shares of ₹ 10 each are issued at ₹ 12, the premium is:**

- A) 1,000
- B) 2,000
- C) 10,000
- D) 12,000

Answer: B

42. **If shares of ₹ 10 are forfeited for non-payment of ₹ 5 and reissued at ₹ 8, profit on reissue is:**

- A) 3
- B) 5
- C) 2
- D) 10

Answer: C

43. **A company issues shares worth ₹ 1,00,000 and receives ₹ 1,20,000, it is called:**

- A) Under-subscription
- B) Equal-subscription
- C) Over-subscription
- D) Bonus issue

Answer: C

44. **Equity shareholders are paid dividends:**

- A) Before preference
- B) Only if profits remain
- C) At fixed rate
- D) From capital

Answer: B

45. **Shares of ₹ 10 issued at ₹ 8 is:**

- A) Issue at par
- B) Issue at premium
- C) Issue at discount
- D) Not allowed

Answer: C

46. **Preference dividend is payable when company earns:**

- A) No profit
- B) Loss
- C) Profit
- D) Profit or loss

Answer: C

47. **A company cannot issue shares at discount except in case of:**

- A) Right issue
- B) Sweat equity
- C) Bonus issue

D) Buyback

Answer: B

48. **Right shares are issued under:**

A) Section 62 of Companies Act

B) Section 44

C) Section 80

D) Section 12

Answer: A

49. **Buyback of shares reduces:**

A) Liability

B) Assets

C) Equity capital

D) Reserves

Answer: C

50. **Issued capital is always:**

A) More than authorized

B) Less than authorized

C) Equal to paid-up

D) Equal to reserve

Answer: B