



# St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 51

Sub: ACCOUNTANCY

Class 12

F.M. 15

Chapter: Unit 3

Date: 09/11/2020

Topic: Accounting for Share Capital 2

**Choose the correct alternatives**

**1 x 15 = 15**

1. At the time of payment of dividend which share can get preference?  
(a) equity shares; **(b) preference shares;** (c) both (a) & (b); (d) none of these
2. In which shares payment of dividend is fixed?  
(a) equity shares; **(b) preference shares;** (c) both (a) & (b); (d) none of these
3. In case of application of shares which entry will record at first?  
**(a) receiving entry;** (b) transferring entry; (c) opening entry; (d) closing entry
4. In case of allotment and other instalment which entry will record at first?  
(a) receiving entry; **(b) transferring entry;** (c) opening entry; (d) closing entry
5. Profit on reissue of shares is an example of  
(a) revenue profit; **(b) capital profit;** (c) abnormal profit; (d) normal profit
6. Which of the following is not true for stock?  
(a) stock is in lump sum holding; **(b) stock can be issued directly;**  
(c) stock must be fully paid: (d) stock is never numbered
7. In case of public issue, the underwriting of shares  
(a) mandatory; **(b) optional;**  
(c) mandatory if the issue size is more than 100 crores;  
(d) mandatory if the issue size is more than 100 crores but less than 500 crores
8. Calls-in-arrear account shows  
(a) only credit balance: **(b) only debit balance;** (c) both (a) & (b); (d) none of these
9. Calls-in-advance shows  
**(a) only credit balance;** (b) only debit balance; (c) both (a) & (b); (d) none of these
10. Issued capital is the part of  
(a) subscribed capital; **(b) authorized capital;** (c) called-up capital; (d) paid-up capital
11. Reserve capital can be called up  
(a) in an emergency; (b) any time by passing an ordinary resolution;  
**(c) in the event and for the purposes of the company being wound-up;**  
(d) if all directors agree
12. Which of the following is not a characteristic of equity share?  
(a) it is the risk capital of a company; (b) it has voting power;  
(c) it has no preferential right to dividend; **(d) it can be converted into preference share**

13. The capital with which a company is registered is called  
(a) issued capital; (b) paid-up capital; **(c) authorized capital**; (d) subscribed capital
14. What is the rate of interest on calls in arrear?  
**(a) 5% p.a.**; (b) 6% p.a.; (c) 8% p.a.; (d) 10% p.a.
15. What is the rate of interest on calls in arrear?  
(a) 5% p.a.; (b) 6% p.a.; (c) 8% p.a.; **(d) 12% p.a.**

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