

(Audits & Accounting)



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Q.1: Stakeholders are related to ?

- A. Decisions
- B. Actions
- C. Organizations
- D. **All of the above**

Q.2: Stock exchange is known as market for securities.

- A. Primary Market
- B. **Secondary Market**
- C. Capital Market
- D. Service value and monetary cost

Q.3: Right Shares are the shares

- A. **Offered to the existing equity shareholders**
- B. Issued by a newly formed company
- C. Legally issued to the public at large
- D. That have a right of redemption

Q.4: Net profit ratio is a :

- A. Long term solvency ratio
- B. **Short term solvency ration**
- C. Turnover ratio
- D. Profitability ratio

Q.5: Liquid ratio is also known as ratio:

- A. inventory
- B. Current
- C. **Acid test**
- D. Debt equity

Q.6: In his traditional role the finance manager is responsible for

- A. **Arrangement of financial resources**
- B. Acquiring capital assets of the organization
- C. Efficient management of capital
- D. Proper utilization of funds

Q.7: Control of financial planning is key responsibility of :

- A. **Treasury management**
- B. Authoritative management
- C. Participative management
- D. None of These

Q.8: A buyer's perception of value is considered a trade-off between;

- A. Product value and psychic cost
- B. **Total customer value and total customer cost**
- C. Image value and energy cost
- D. Service value and monetary cost

Q.9: Having some overall goal in mind, financial management is concerned with:

- A. Financing of assets
- B. Acquisition of assets
- C. Management of assets
- D. **All of These**

Q.10: Capital Structure is an optimal mix of which one of the following options;

- A. Sales and profits
- B. **Debt and equity**
- C. Current assets and fixed assets
- D. None of these

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Q.11: Bonds with longer maturities generally have ___ interest rate risk

- A. **Higher**
- B. Lower
- C. Depends on the type of bond
- D. None of These

Q.12: At breakeven point;

- A. **Total expenses = Total revenue**
- B. Total expenses > Total revenue
- C. Total expenses < Total revenue
- D. None of these

Q.13: Patents, Copyrights and Trademarks are :

- A. Investments
- B. **Intangible assets**
- C. current assets
- D. Fixed assets

Q.14: Floating assets are valued at;

- A. Market price
- B. Cost
- C. **Cost or market whichever is lower**
- D. Cost less depreciation

Q.15: When the coupon rate is less than the required rate of return the discount on the bond as maturity approaches.

- A. Increases
- B. **Decreases**
- C. Does not change
- D. First decreases then Increases

Q.16: _____ refers to the risk inherent to the entire market or market segment .

- A. Financial risk
- B. Purchasing power
- C. **Systematic risk**
- D. Interest free risk

Q.17: Which of the following is not a current asset?

- A. Temporary Investment
- B. Salary paid in advance
- C. Inventory
- D. **Preliminary expenses**

Q.18: The first and foremost function of management is:

- A. **Planning**
- B. Organizing
- C. Controlling
- D. Coordination

Q.19: Money Market is an in which only short-term debt instrument (Maturity less than one year) are traded.

- A. **Financial market**
- B. Security market
- C. Secondary market
- D. All of These

Q.20: Which of the following is a method that is commonly used in qualitative research?

- A. Self-completion questionnaires
- B. Surveys
- C. **Ethnography**
- D. Structured observation

Q.21: The form of business having unlimited liabilities

- A. **General partnership**
- B. Limited partnership
- C. Limited liability partnership
- D. Particular partnership

Q.22: A is a potential obligation that may arise from an event that has not yet occurred

- A. current liabilities
- B. **contingent liability**
- C. Long term liabilities
- D. None of These

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Q.23: Contribution margin is also known as :

- A. Marginal income
- B. Gross Profit
- C. Newt Profit
- D. Net Loss

Q.24: A series of constant cash flows that occur at the end of each period for some fixed number of periods is :

- A. Ordinary annuity
- B. Annuity due
- C. Multiple cash flows
- D. Perpetuity

Q.25: Verification refers to:

- A. Confirming ownership
- B. Valuation and Possession
- C. Actual existence
- D. All of these

Q.26: Process of verifying the documentary evidences of trasactions are known as :

- A. Auditing
- B. Vouching
- C. Testing
- D. Verification

Q.27: Bringing all parties to an agreement is termed as:

- A. Joinder
- B. Consensus
- C. Contract
- D. None of these

Q.28: Zero Coupon Bond is also known as :

- A. Deep discount bond
- B. Bearer bond
- C. Zero interest bond
- D. Irredeemable bond

Q.29: An efficient market hypothesis state all public information which is reflected in current market prices is classified as :

- A. Strong from efficiency
- B. Weak form efficiency
- C. Semi strong effiency
- D. Market efficiency

Q.30: The firm operate, produce, market all over the world is called:

- A. International firm
- B. Global firm
- C. Limited liability company
- D. None of These

Q.31: Debtors have least profit share due to:

- A. Not participating in operational risk
- B. Payment to trade payables
- C. Current ratio and Quick ratio
- D. None of these

Q.32: A feasibility study considers all of the aspects of project, including:

- A. Availability of time and capacity
- B. Financial resources
- C. Market demand
- D. All of These

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Q.33: An expenditure which occurs non-repeatedly and regularly is known as:

- A. **Capital expenditure**
- B. Revenue expenditure
- C. Deferred revenue expenditure
- D. None of these

Q.34: Land revenue assigned to jagirdar used for:

- A. **Agricultural income purpose**
- B. Non-Agricultural income purpose
- C. Passive income purposes
- D. none of these

Q.35: Supervisor wage is a part of:

- A. **Conversion cost**
- B. Operating cost
- C. Variable cost
- D. None of these

Q.36: A market for wholesale loans and deposits traded between banks is called:

- A. **interbank market**
- B. Investor market
- C. Subsidiary market
- D. none of these

Q.37: Government made policy for the industrial sector is called

- A. Factories policy
- B. **Industrial policy**
- C. Distributive policy
- D. Regulatory policy

Q.38: Characteristics of the job is also known as:

- A. Job analysis
- B. Job rating
- C. **Job description**
- D. Job evaluation

Q.39: which one of the following becomes a creative factor in production:

- A. Land
- B. **Capital**
- C. Consumers
- D. Human resources

Q.40: Which research is conducted when a researcher needed a solution to a problem?

- A. Scientific Research
- B. **Applied Search**
- C. Descriptive Research
- D. Basic Research

Q.41: Which factor has been the most rapidly changing component in an organization's general environment in the past quarter-century:

- A. Global
- B. Social
- C. **Technological**
- D. Economic

Q.42: Change in government policy with in the content of tax:

- A. Tax policy
- B. **Fiscal policy**
- C. Monetary policy
- D. Regulatory policy

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Q.43: The Main operation expenses of a business are termed as :

- A. Operating expense
- B. Administration expense
- C. Non administration expenses
- D. Selling expense

Q.44: The part of equity having certain return is called:

- A. Common stock
- B. Preferred stock
- C. Growth stock
- D. None of these

Q.45: The primary objective of cost accounting is to :

- A. Ascertain the cost of goods and services
- B. Ascertain the profit
- C. Inventory valuation
- D. Fixation of selling price

Q.46: Human Resource Management deals with:

- A. Insurance matters
- B. Staff functions
- C. Accounting function
- D. None of these

Q.47: Agency Theory suggests that managers (the agents), particularly those of large , publically-owned firms , may have different objectives from those of the :

- A. Workers
- B. Subordinates
- C. Employees
- D. Shareholders

Q.48: Auditing refers to:

- A. Reporting the financial information
- B. Examination of financial information
- C. Preparation of financial statements
- D. Maintaining the ledger accounts

Q.49: Inventory Period + Accounts Receivable Period is called

- A. Cash cycle
- B. Operationg cycle
- C. Collective Cycle
- D. None of these

Q.50: The standard deviation is the _____ of the variance:

- A. Square
- B. Square root
- C. Cube
- D. Cube root

Q.51: Fixed assets turnover ratio is a :

- A. Long -term solvency ratio
- B. Short-term solvency ratio
- C. Turnover ratio
- D. Profitability ratio

Q.52: The following factor would be relatively low if supply of labor is higher than demand:

- A. Production
- B. Labor cost
- C. Wage
- D. All Of these

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Q.53: According to the capital-asset pricing model (CAPM), a security's expected (required) return is equal to the risk-free rate plus a premium:

- A. Equal to the security's beta
- B. Based on the unsystematic risk of the security
- C. Based on the total risk of the security
- D. **Based on the Systematic risk of the security**

Q.54: Which one renders high profitability?

- A. Asset
- B. Balance sheet
- C. **Inventory**
- D. Equity

Q.55: is the phase of an audit where the auditor gathers samples to identify any material misstatements in the client's accounting records or other data

- A. **Substanting testing**
- B. Control testing
- C. Detective testing
- D. None of these

Q.56: In response to market expectations, the credit period has been increased from 45 days to 60 days. This would result in a:

- A. Decrease in sales
- B. Decrease in debtors
- C. Increase in bad debts
- D. **Blocking of funds**

Q.57: Bonus shares are issued out of:

- A. Capital reserve
- B. **Free reserve**
- C. Share premium
- D. None of these

Q.58: Balance Sheet shows

- A. The financial performance at particular date
- B. **the financial position at particular date**
- C. The financial position for an accounting period
- D. the financial performance for an accounting period

Q.59: Which body prepare and publish audit standards:

- A. **International Auditing and Assurance Standards Board**
- B. International Federation of Accountants
- C. Generally Accepted Auditing Standards
- D. None of these

Q.60: income statement is also known as :

- A. Statement of earnings
- B. Statement of balance Sheet
- C. **Statement of income**
- D. Statement of operations

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Q.61: which statement shows the flow of cash and cash equivalents during the financial period:

- A. Statement of changes in equity
- B. **Cash flow statement**
- C. Balance Sheet
- D. Income statement

Q.62: Investment decision making traditionally consists of two steps _____:

- A. Investment banking and security analysis
- B. Buying and selling
- C. Risk and expected return
- D. **Security analysis and portfolio managements**

Q.63: Monopolistic competition differs from perfect competition primarily because:

- A. **Monopolistic competition, firms can differentiate their products**
- B. Perfect competition, firms can differentiate their products
- C. in monopolistic competition industry produces all of the market supply of goods
- D. none of these

Q.64: An advertisement which conceal organization identity:

- A. Display advertising
- B. **Blind advertising**
- C. Native advertising
- D. None of these

Q.65: Each element having equal chances of selection is called:

- A. **Probability**
- B. Non-probability
- C. Stratified sampling
- D. Quota sampling

Q.66: A nationwide electronic funds transfer network which enables participating banks financial institutions to distribute electronic credit and debit entries to bank accounts and to settle such entries is termed as :

- A. Clearing bank
- B. **Clearing House**
- C. Clearing Cheque
- D. Certificate of Deposits

Q.67: The maximum amount beyond which a company is not allowed to raise funds by Issue of Share is :

- A. Issue Capital
- B. Reserve Capital
- C. **Nominal capital**
- D. Subscribed Capital

Q.68: Banks realize dividend and interest on behalf of customer is included in:

- A. Beneficiary
- B. **Agency**
- C. Nominee
- D. None of these

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Q.69: Ratio of net profit before interest and tax to sales is :

- A. Capital gearing
- B. Solevency ratio
- C. **Operating profit ratio**
- D. none of these

Q.70: The capital budgeting in which we check in how many year initial investment is cover is called:

- A. Net present Value
- B. Internal rate of return
- C. **Payback period**
- D. Disocunted cash flow

Q.71: Which is the primary activity of a commercial bank?

- A. Maintaining deposit accounts including current accounts
- B. Issue and pay cheques
- C. Collect cheques for the bank's customers
- D. **All of these**

Q.72: Variable manufacturing overhead (VMOH) Fixed manufacturing overhead (FMOH) is a part of :

- A. Standard cost
- B. **Manufacturing overhead cost**
- C. Activity based cost
- D. Marginal overhead cost

Q.73: The term depletion applies to decrease in value of

- A. Current asset
- B. **Wasting asset**
- C. Tangible asset
- D. intangible asset

Q.74: Diversification as a tool for reducing risk by:

- A. Holding more assets in always better than holding fewer
- B. **Interesting in more than one asset**
- C. Portfolio losses be prevented
- D. None of these

Q.75: Assets are usually show in Balance Sheet (at

- A. **Unexpired cost**
- B. Replacement cost
- C. Revalue Cost
- D. Market Value

Q.76: A Joint Stock Company is managed by

- A. Owner
- B. Shareholders
- C. Secretary
- D. **Board of Directors**

Q.77: When government revenue exceeds government expenditure, it is known as _____ budget.

- A. **Surplus**
- B. Zero
- C. Balanced
- D. Deficit

Q.78: Which of the following is an example of nonverbal communication?

- A. An online blog where employees in different cities can share ideas
- B. **A company logo designed to project the organization's image**
- C. An email message reminding employees of an upcoming staff meeting
- D. A phone call from attorney to a client

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Q.79: Which is not a characteristic of a service?

- A. Variability
- B. **Intagibility**
- C. Inseparability
- D. None of these

Q.80: Petty cash is a part of:

- A. **Cash book**
- B. Cash receipt
- C. Expense book
- D. Expenditure book

Q.81: Which of the following can be distributed among shareholders?

- A. Capital reserve
- B. **General reserve**
- C. Revaluation reserve
- D. None of these

Q.82: Strategy is developed by the visionary chief executive in _____ mode of strategic management

- A. Planning mode
- B. Adaptive mode
- C. Strategic mode
- D. **Entrepreneurial mode**

Q.83: The doctrine of impossibility of performance, rendering a contract void, is based on:

- A. a commercial impossibility
- B. **a supervening impossibility**
- C. just and reasonable ground
- D. an unjust enrichment

Q.84: Price elasticity of demand that _____ is called inelastic.

- A. More than 1
- B. **Less than 1**
- C. Equal to 1
- D. None of these

Q.85: Debt is a part of:

- A. Working Capital
- B. Financial equity
- C. **Capital structure**
- D. None of these

Q.86: The types of good that are tangible in nature and that can be consumed in few uses are classified as:

- A. Durable goods
- B. **Non-durable goods**
- C. Services
- D. Augmented goods

Q.87: Selling expenses includes in:

- A. Material cost
- B. Labour cost
- C. **Advertising cost**
- D. Factory cost

Q.88: Audit evidence is considered sufficient when:

- A. **There is enough of it to afford a reasonable basis for an opinion on financial statements**
- B. It has been obtained by random selection.
- C. It is competent.
- D. It has the qualities of being relevant, objective, and free from known bias.

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Q.89: The career-related consequences of the layering of organisations most likely options is:

- A. A higher proportion of job moves being demotion
- B. **Promotion being a bigger step when it happens**
- C. Lateral moves becoming scarcer
- D. All of these

Q.90: Preference shareholders are _____ of the company:

- A. Creditors
- B. **Owners**
- C. Customers
- D. Borrowers

Q.91: Which of the following statements are incorrect?

- A. Services are intangible
- B. Services are perishable
- C. Services can be co-produced with customers
- D. **Services are invariable**

Q.92: The two internal elements of SWOT analysis are:

- A. Weaknesses and threats
- B. Opportunities and threats
- C. **Strengths and weaknesses**
- D. Strengthens and threats

Q.93: An organizational structure in which more than one type of departmentalization is employed is called:

- A. **Mixed departmentalization**
- B. Process departmentalization
- C. Matrix form
- D. Centralization

Q.94: Which of these options, apart from cash, are instruments to distribute profits to shareholders?

- A. Stock purchase
- B. Bonus shares
- C. Stock split
- D. **All of these**

Q.95: _____ is the subject matter of Macroeconomics.

- A. Factory pricing
- B. **Growth theory**
- C. Individual incomes
- D. Market structures

Q.96: Joint venture account is a:

- A. **Nominal account**
- B. Personal account
- C. Real account
- D. Dummy account

Q.97: The basic factors of production are land, labour, capital and:

- A. **Enterprise**
- B. Investment
- C. Machinery
- D. Resources

Q.98: Which of the following is a measure to reduce inequality of income?

- A. Promotion of industries
- B. **Social securities**
- C. Granting of credit to poor on concessional rate
- D. None of these

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Q.99: The difference between desired service and the level of service considered adequate is known as:

- A. Service Quality
- B. Service failures
- C. **Tolerance Zone**
- D. Service recovery

Q.100: The concept of consumer surplus was developed by:

- A. **Marshall**
- B. Gotham
- C. Benethan
- D. None of these

Q.101: Which is a system of selling goods directly to customers through a network of self-employed people.

- A. **Multilevel marketing**
- B. Whole sale marketing
- C. Vertical marketing
- D. None of these

Q.102: An exceptional demand curve is one that slopes:

- A. Upward to the left
- B. Downward to the right
- C. **Upward to the right**
- D. Horizontally

Q.103: Authorized share capital is also known as:

- A. **Registered capital**
- B. Issued capital
- C. Paid up capital
- D. None of these

Q.104: Net loss occurs when:

- A. **Expenses are greater than income**
- B. Expenses are less than income
- C. Liabilities are greater than income
- D. None of these

Q.105: The assets that can be converted into cash within a short period (i.e. 1 year or less) are known as:

- A. **Current assets**
- B. Fixed assets
- C. Intangible assets
- D. Investment

Q.106: Liquid Ratio is equal to liquid assets divided by _____

- A. **Current Liabilities**
- B. Total Liabilities
- C. Contingent Liabilities
- D. None of these

Q.107: Liabilities are which of the following:

- A. Resources
- B. **Obligations**
- C. Future benefits
- D. Expenses

Q.108: Goods returned by customer should be debited to which of the following accounts:

- A. Sale income account
- B. Sales account
- C. **Return inward account**
- D. Expenses account

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Q.109: _____ is the aggregate of direct material cost, direct labor cost, and direct expenses.

- A. **Prime cost**
- B. Bottom line cost
- C. `Variable cost
- D. None of these

Q.110: Guarantee made by company bank to foreign bank for import is called:

- A. Letter of assurance
- B. **Letter of credit**
- C. Deferred payment letter
- D. None of these

Q.111: Implicit cost is also known as:

- A. Component cost
- B. Opportunity cost
- C. **Notional cost**
- D. Incremental cost

Q.112: Bank pass book is also known as:

- A. Bank Book
- B. Bank Account
- C. Bank column
- D. **Bank statement**

Q.113: Which statement is correct: Agency conflict is minimized by:

- A. increasing share of debt by bond holder & stockholder
- B. **Restructuring remuneration**
- C. Both are correct
- D. Both are incorrect

Q.114: Residual value is the:

- A. Value of the asset when it is purchased
- B. **Value of the asset at the end of its useful life**
- C. Cost of the asset
- D. Allocation of the cost

Q.115: Which bank gave monetary policy in Pakistan

- A. **State Bank of Pakistan**
- B. National Bank of Pakistan
- C. International Monetary Fund
- D. None of these

Q.116: P/V ratio shows the _____ ratio.

- A. Profit earning capability
- B. **Profit and Volume**
- C. Safety margin
- D. None of these

Q.117: Which item comes under financial activities in cash flow?

- A. Redemption of Preference Share
- B. Issue of Preference Share`
- C. Interest paid
- D. **All of these**

Q.118: Cash budget include:

- A. Dividend payable
- B. Postal expenditure
- C. Issue of capital
- D. **All of these**

Q.119: Which of the following is a revenue reserve?

- A. **Security premium account**
- B. Capital reserve
- C. Capital redemption reserve
- D. None of these

Q.120: Market control process consists:

- A. Formation of Performance standards
- B. Performance Appraisal
- C. Correcting Deviations
- D. **All of these**

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Q.121: Bank overdraft is a

- A. **Current liability**
- B. Contingent liability
- C. Current asset
- D. None of these

Q.122: The statement of cash flow clarifies cash flows according to:

- A. inflow and Outflow
- B. **Operating, Investing, and Financing Activities**
- C. Operating and non-operating Flows
- D. None of these

Q.123: Microeconomics theory is also known as:

- A. **Price theory**
- B. Surety theory
- C. Capital consumption theory
- D. None of these

Q.124: The basic financial statements include:

- A. Statement of Cash Flows
- B. Statement of Retained Earnings
- C. Balance Sheet and Income Statement
- D. **All of these**

Q.125: Performance measurement is:

- A. The determination of improvement efforts
- B. **The process of quantifying action**
- C. The improvement of operations
- D. The planning and control of operations

Q.126: The parties to joint venture are called:

- A. Principal and agent
- B. Friends
- C. **Co-ventures**
- D. Partners

Q.127: Income from property held under trust for charitable or religious purposes is:

- A. **Exempted from tax**
- B. Taxable @ 10%
- C. Taxable @ 20%
- D. None of these

Q.128: Verification of the value of assets, liabilities, the balance of reserves, provision, and the amount of profit earned or loss suffered by a firm is called:

- A. Continuous audit
- B. Interim audit
- C. **Balance sheet audit**
- D. Partial audit

Q.129: Undistributed profits are also known as:

- A. Corporate saving
- B. Retained earning
- C. General reserve
- D. **All of these**

Q.130: The concept of reliability refers to:

- A. Objectivity of instructions
- B. Purpose of measurement
- C. **Consistency of scores**
- D. Uniformity of scoring

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Q.131: The difference between assets and liabilities is called as:

- A. Drawings
- B. **Capital**
- C. Income
- D. Expenses

Q.132: Financial planning for long term and seasonal expense is:

- A. Best
- B. Worst
- C. Aggressive
- D. **Conservative**

Q.133: A smart tag will be removed from the cell when:

- A. The cell is hidden
- B. The cell is moved
- C. The formatting of the cell is changed
- D. **The data in the cell is changed or deleted**

Q.134: Leadership motivates the people to work and not the power of money", this concept is related to

- A. Autocratic model
- B. **Custodial model**
- C. Supportive model
- D. Collegial model

Q.135: A current account surplus implies that:

- A. **The country is a net lender to the rest of the world**
- B. The country is running a net capital account surplus
- C. Foreign investment in domestic securities is at very low levels
- D. None of these

Q.136: Which of the following is not an element of credit Policy?

- A. Collection Policy
- B. Credit terms
- C. **Sales price**
- D. Cash discount price

Q.137: _____ is a type of preferred stock that provides a greater guarantee of dividend payments to its holders

- A. **Cumulative preferred stock**
- B. Non-cumulative preferred stock
- C. Common stock
- D. None of these

Q.138: Electronic magnified information is called

- A. E-commerce
- B. Digital business
- C. Electronic Business
- D. **None of these**

Q.139: The _____ is the rate of interest an investor, saver or lender receives (or expects to receive) after allowing for inflation

- A. Prime interest rate
- B. **Real interest rate**
- C. Variable interest rate
- D. None of these

Q.140: The net present value is:

- A. **is calculated by discounting all cash flows to present value and subtracting outflows from inflows**
- B. calculates the rate return which leaves you indifferent between undertaking the project, and not undertaking the project
- C. leads to the same decisions as the use of the payback period
- D. None of these

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Q.141: Interest rate can be used in :

- A. Mathematics
- B. Statistics
- C. **Financial**
- D. None of these

Q.142: The Proposed Kalabagh dam will produce how much electricity :

- A. 3000 MW
- B. **3600MW**
- C. 4000MW
- D. None of these

Q.143: Which Pakistani climber died recently with foreign climbers at K-2

- A. Sajid Sadpara
- B. **Mohammad Ali Sadpara**
- C. Gulzar Ahmad Sadpara
- D. None of these

Q.144: Because its chief accountant altered figures and completely fabricated others, the company's financial records were entire ____

- A. taxable
- B. transparent
- C. **spurious**
- D. Hidden

Q.145: Pakistan is situated in which continent?

- A. **Asia**
- B. Australia
- C. Africa
- D. None of these

Q.146: The first person who climbed the Nanga Parbat?

- A. Ashraf Aman
- B. **Hermann Buhl**
- C. Martin Conway
- D. None of these

Q.147: Which country gets most monsoon rain?

- A. **South & East Asia**
- B. Africa
- C. East US
- D. None Of these

Q.148: ____ is outcome of payment divided by the interest rate:

- A. Due perpetuity
- B. Deferred perpetuity
- C. **Present value of perpetuity**
- D. Future value of perpetuity

Q.149: ____ is a strategy that focuses on offering cheapest product in the market.

- A. **Cost leadership**
- B. Focus strategy
- C. Differentiation strategy
- D. None of these

Q.150: Deferred tax payments would be shown as ____ while calculating net cash flows.

- A. **Non-cash charges**
- B. Non-cash revenues
- C. Income expense
- D. Current liabilities

Q.151: A service firm may have additional segment of marketing mix:

- A. **People**
- B. Price
- C. Place
- D. Promotion

Q.152: Promotion of an employee to fill a vacant post is a good example of

- A. External recruitment
- B. Online recruitment
- C. **Internal recruitment**
- D. All of these

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Q.153: Job enrichment is__

- A. **Vertical expansion in job**
- B. Horizontal expansion in job
- C. Lateral expansion in job
- D. None of these

Q.154: __Is a digital asset designed to work as a medium of exchange.

- A. E-commerce.
- B. E-currency
- C. **Cryptocurrency**
- D. None of these

Q.155: ____ has a unique origin i.e. zero.

- A. Nominal scale
- B. Ordinal scale
- C. Interval scale
- D. **Ratio scale**

Q.156: A strategy where firm tries to expand the market and move to a new market with existing product is called:

- A. Market development
- B. Diversification
- C. Product development
- D. **Market Penetration.**

Q.157: __not a form of departmentalization.

- A. Geographical based
- B. Functional based.
- C. Product based
- D. **Quality based**

Q.158: __represents the net worth of a business

- A. **Assets net of liabilities**
- B. Liabilities net of assets spo
- C. Liabilities net of earning
- D. Earnings per share

Q.159: Gathering information from advertising campaigns and sales people could be better named as:

- A. Personal sources of information gathering
- B. Experiential sources of information gathering
- C. **Commercial sources of Information gathering**
- D. None of these

Q.160: _____dimension of transformational leadership deals with the focus on each member of the organization.

- A. Idealized influence
- B. **Inspirational motivation**
- C. Individualized consideration
- D. None of these

Q.161: __ focuses on the future needs of both organizational and employee needs:

- A. **training and development**
- B. performance management
- C. career management
- D. None of these

Q.162: The working capital reaches to zero when the current ratio is:

- A. **1**
- B. 2
- C. 3
- D. None of these

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Q.163: Accounting principles are generally based on

- A. **Practicability**
- B. Subjectivity
- C. Convenience in recording
- D. None of the above

Q.164: Real accounts are related to

- A. **Assets**
- B. Expense and incomes
- C. Customers and creditor
- D. None of the above

Q.165: Quick Asset includes which of the following

- A. Cash
- B. **Account receivable**
- C. Both a & b
- D. Marketable securities

Q.166: Depreciation Expense is

- A. a cash inflow.
- B. a cash outflow
- C. **Added to the accumulated**
- D. Ignored when proper cash flow statements

Q.167: Double entry book-keeping was fathered by

- A. F.W.Taylor
- B. Henry Fayol
- C. **Lucas Pacioli**
- D. None of these

Q.168: Partners in Pakistan can today be fixed at the following numbers

- A. **20**
- B. 50
- C. 70
- D. 22

Q.169: Cash budget excludes the following

- A. **Non Cash items**
- B. Cash items
- C. Purchase on Credit items
- D. Credit Sales

Q.170: NGOs are legally required to
A. **Prepare accounts in a prescribed manner under the law**

- B. Prepare accounts as desired by donors
- C. submit Balance sheet only
- D. Submit income source only

Q.171: Conversion cost is:

- A. Material Cost +Overhead Cost
- B. Direct Labour+Material Cost
- C. Direct Labour-Material Cost
- D. **Labour Cost +Overhead Cost**

Q.172: Process Costing is relevant to:

- A. **Cement industry**
- B. Job Order cost oriented Project
- C. Banking Industry
- D. None of these

Q.173: A partnership in today 's Pakistan under the current law can have the following number of partners

- A. 50
- B. **20**
- C. 100
- D. 70

Q.174: Combination can be best described as:

- A. Restructuring of Capital of a Company
- B. Reduction of Capital of a Company
- C. **Amalgamation of two different types of business**
- D. Joint venture

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Q.175: Sources of funds can be increased by

- A. Describing selling price
- B. Increasing expenditure
- C. By opting efficient processes
- D. **None of these**

Q.176: Books of original entry are called:

- A. ledger
- B. Work Sheets
- C. **Journal**
- D. None of these

Q.177: For preparing balance sheets prepaid expenses are shown as part of

- A. Liability
- B. Equities
- C. **Assets**
- D. None of these

Q.178: Unpaid and unrecorded expenses are called:

- A. Prepaid expenses
- B. **Accrued expenses**
- C. Additional expenses
- D. None of these

Q.179: Amount cash or other assets removed from business by owner is

- A. Capital
- B. **Drawings**
- C. Assets
- D. None of these

Q.180: Under the diminishing balance method depreciation amount is:

- A. Payment
- B. Receipt
- C. **Expenditure**
- D. None of these

Q.181: Return on investment is computed:

- A. Investment / Profit * 100
- B. **(Profit / Investment) * 100**
- C. (Profit-dividend) / Investment * 100
- D. None of these

Q.182: Sugar used in a sugarcane company is:

- A. **Variable cost**
- B. Semi Variable cost
- C. Fixed cost
- D. Step fixed cost

Q.183: An auditor is liable under the following circumstances

- A. Third Party Liabilities
- B. **Fraud Perpetrated in highly sophisticated circumstances**
- C. Both a & b
- D. None of these

Q.184: Conversion Cost is calculated as under

- A. Labour Plus Material
- B. **Labour Plus overheads**
- C. Labour minus overhead
- D. None of these

Q.185: Double Entry Book Keeping was fathered by

- A. **Luca Pacioli**
- B. Youjiljiri
- C. Micheal Hammer
- D. Ishikawa

Q.186: Accumulated loss of a company is shown in the balance sheet as:

- A. Liability
- B. **Asset**
- C. As foot note to balance sheet
- D. None of these

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Q.187: Under the Companies ordinance 1984 disclosure of financial information is legally required for listed companies under

- A. Schedule 6
- B. Shedule 5
- C. **Schedule 4**
- D. Schedule 8

Q.188: Trading loss occurs when

- A. Revenues exced the matching relevant costs
- B. Revenue and matching costs are wqual to each other
- C. **When relevant matching cost exceeds revenues**
- D. None of these

Q.189: Accounting requirements governing NGOs are prescribed in:

- A. Partnership Act 1932
- B. **Cooperative Societies legislation**
- C. Companles Ordinance 1984
- D. None of these

Q.190: Work sheet is equivalent to:

- A. Balance sheet
- B. Income statement
- C. **Trial Balance**
- D. nn

Q.191: The following represent tangible assets and are shown in the balance sheet as:

- A. People
- B. Expenses
- C. Revenue
- D. **Good will**

Q.192: Under the Rule of thumb a good current ratio is:

- A. 6:1
- B. 10:1
- C. 5:1
- D. **2:1**

Q.193: Pakistan follows the following budgeting system at Federal level

- A. Zero Based Budgeting
- B. Program Budgeting
- C. **Incremental/Decremental Budgeting**
- D. Responsibility Budgeting

Q.194: PSX is a/an ____ company

- A. Limitd liability
- B. Unlimited Liability
- C. **Single member**
- D. Limited by guarantee

Q.195: Setting goals and devising strategies to achieve them denotes Which of the management function?

- A. Controlling
- B. Leading
- C. Organizing
- D. **Planning**

Q.196: Marketing is an

- A. Outside in activity
- B. Inside out activity
- C. **Both in and outside activity**
- D. None of these

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Q.197: Class room lectures seminars and workshops are example:

- A. Non-Job training
- B. on the job training
- C. **Off the job training**
- D. None of these

Q.198: Selling is different from marketing as:

- A. **Selling is outside in activity**
- B. Selling is inside out activity
- C. Marketing is inside out activity
- D. All of the above

Q.199: Herzberg's Motivation two-factor theory covers factor named__ and __:

- A. **Hygiene and motivator factors**
- B. Hygiene and esteem factors
- C. Motivators and esteem factor
- D. None of these

Q.200: The ownership of central bank of a country may belong to:

- A. **Government**
- B. Private Ownership
- C. Both a & b
- D. None of these

Q.201: ____ is a form of partnership where a partner is liable for amount of capital invested in business.

- A. Special partnership
- B. General partnership
- C. **Limited partnership**
- D. None of these

Q.202: Which of the following Pakistani player won the 1994 World Snooker Championship?

- A. **Muhammad Yousaf**
- B. Muhammad Asif
- C. Hamza Akbar
- D. Shoukat Ali

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Audits & Accounting (Answer Key)

1. D	2. B	3. A	4. B	5. C	6. A	7. A	8. B	9. D	10. B
11. A	12. A	13. B	14. C	15. B	16. C	17. D	18. A	19. A	20. C
21. A	22. B	23. A	24. A	25. D	26. B	27. C	28. A	29. C	30. B
31. A	32. D	33. A	34. A	35. A	36. A	37. B	38. C	39. B	40. B
41. C	42. B	43. A	44. B	45. A	46. B	47. D	48. B	49. B	50. B
51. C	52. C	53. D	54. C	55. A	56. D	57. B	58. B	59. A	60. C
61. B	62. D	63. A	64. B	65. A	66. B	67. C	68. B	69. C	70. C
71. D	72. B	73. B	74. B	75. A	76. D	77. A	78. B	79. B	80. A
81. B	82. D	83. B	84. B	85. C	86. B	87. C	88. A	89. B	90. B
91. D	92. C	93. A	94. D	95. B	96. A	97. A	98. B	99. C	100. A
101. A	102. C	103. A	104. A	105. A	106. A	107. B	108. C	109. A	110. B
111. C	112. D	113. B	114. B	115. A	116. B	117. D	118. D	119. A	120. D
121. A	122. B	123. A	124. D	125. B	126. C	127. A	128. C	129. D	130. C
131. B	132. D	133. D	134. B	135. A	136. C	137. A	138. D	139. B	140. A
141. C	142. B	143. B	144. C	145. A	146. B	147. A	148. C	149. A	150. A
151. A	152. C	153. A	154. C	155. D	156. D	157. D	158. A	159. C	160. B
161. A	162. A	163. A	164. A	165. B	166. C	167. C	168. A	169. A	170. A
171. D	172. A	173. B	174. C	175. D	176. C	177. C	178. B	179. B	180. C
181. B	182. A	183. B	184. B	185. A	186. B	187. C	188. C	189. B	190. C
191. D	192. D	193. C	194. C	195. D	196. C	197. C	198. A	199. A	200. A
201. C	202. A								