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# Auditing (H)

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## Valuation of Assets: (Objectives)

\* Choose the correct answer: -

1. Which of the following is not a floating asset?

- (a) Prepaid expenses (b) Bills receivable  
(c) Woodwill (d) Stock

Ans → (c)

2. Which of the following is fictitious asset?

- (a) Woodwill (b) Copyright  
(c) Preliminary expenses (d) None of these

Ans → (c)

3. Which of the following is an intangible asset?

- (a) Patents (b) Prepaid expenses  
(c) Preliminary expenses (d) None of these

Ans → (a)

4. Which of the following is wasting asset?

- (a) Coal mines (b) Furniture (c) Woodwill (d) Cash

Ans → (a)

5. An auditor:

- (a) Is a valuer (b) Is not a valuer  
(c) None of the two

Ans → (b)

6. Quoted price is related with:

- (a) Stock (b) Shares (c) Goodwill (d) None of these

Ans → (b)

7. Scrap value is related with:

(a) Plant & Machinery (b) Goodwill

(c) Stock (d) None of these

Ans → (a)

8. Average profit method is connected with:

(a) The valuation of stock (b) The valuation of goodwill

(c) The valuation of shares (d) None of these

Ans → (b)

9. ... is valued at cost price or market price, whichever is less:

(a) Stock (b) Goodwill (c) Machine (d) None of these

Ans → (a)

10. Highest in price first out method of valuation is used:

(a) when the price of material is increasing

(b) when the price of material is decreasing

(c) when the price is constant (d) None of these

Ans → (a)

11. Intrinsic value method of valuation is concerned with:

(a) Stock (b) Fixed assets (c) Shares (d) None of these

Ans → (c)