

B.Com-1
22-08

Auditing (H)

By, Sajeet Kr. Suman
R.N. College
Hajipur

Objective

Depreciation, provision and Reserve.

* Choose the correct answer:-

1. Depreciation is charged:

- (a) On fixed assets only (b) On current assets only
(c) On all assets (d) None of these

Ans → (a)

2. Depreciation arises:

- (a) Due to use of assets only (b) Due to obsolescence
(c) Due to any reason (d) None of these

Ans → (c)

3. Continuous uses of assets:

- (a) Is the internal cause of depreciation
(b) Is the external cause of depreciation
(c) Both of these
(d) None of these

Ans → (a)

4. Obsolescence of assets:

- (a) Is the internal cause of depreciation
(b) Is the external cause of depreciation
(c) Both of these (d) None of these

Ans → (b)

5. Depreciation and obsolescence:

- (a) Both are same (b) Both are different (c) None of these

Ans → (b)

6. Depreciation:

(a) $\frac{\text{Cost price} - \text{Scrap Value}}{\text{No. of Years}}$

(b) $\frac{\text{Cost price} + \text{Scrap Value}}{\text{No. of Years}}$

(c) None of these

Ans → (a)

7. Depreciation:

(a) $1 - \sqrt{\frac{s}{c}}$

(b) $1 - N \sqrt{\frac{s}{c}}$

(c) None of these

Ans → (b)

8. Provision is made:

(a) For specific object (b) For general object (c) Both of these (d) None of these

Ans → (a)

9. Reserve is made:

(a) For general object (b) For specific object (c) None of these (d) Both of these

Ans → (a)

10. Sinking fund is made:

(a) For specific object (b) For general object (c) None of these (d) Both of these

Ans → (a)

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