**ONE MARK QUESTIONS**

**Tick  the correct answer**
**Question 1. On dissolution of a firm, bank overdraft is transferred to**
**(a) cash account (b) bank account**
**(c) realisation account (d) partner’s capital accou**

**Question 2. On dissolution of a firm, partner’s loan account is transferred to**
**(a) realisation account (b) partner’s capital account (c) partner’s current account (d) None of these**

**Question 3. After transferring liabilities like creditors and bills payables in the realisation account, in the absence of any information regarding then payment, such liabilities are treated as**
**(a) never paid (b) fully paid (c) partly paid (d) None of these**

**Question 5. Unrecorded assets when taken over by a partner are shown in**
**(a) debit of realisation account**
**(b) debit of bank account**
**(c) credit of realisation account**
**(d) dredit of bank account**

**Question 6. Unrecorded liabilities when paid are shown in**
**(a) debit of realisation account**
**(b) debit of bank account**
**(c) credit of realisation account**
**(d) credit of bank account**

**Question 7. The accumulated profits reserves are transferred to**
**(a) realisation account (b) partners’ capital account**
**(c) bank account (d) None of these**

**Question 8. On dissolution of the firm, partner’s capital accounts are closed through**
**(a) realisation account (b) drawings account**
**(c) bank account (d) loan account**

**• Fill in the correct word(s)**
**1**. All assets (except cash/bank and fictitious assets) are transferred to the ————— (Debit/Credit) side of ——————— Account (Realisation/Capital).

**3**. Accumulated losses are transferred to ————— (Current/Capital Accounts) in —————— (equal ratio/profit sharing ratio).

**4**. If a liability is assumed by a partner, such Partner’s Capital Account is ––––––– ——— (debited/credited)..

**5**. If a partner takes over an asset, such (Partner’s Capital Account) is ———————— (debited/credited).

**6**. No entry is required when a ——————— (partner/creditor) accepts a fixed asset in payment of his dues.

**7**. When creditor accepts an asset whose value is more than the amount due to him, he will ———————— (pay/not pay) the excess amount which will be credited ———————— Account.

**8**. When the firm has agreed to pay the partner a fixed amount for realisation work irrespective of the actual amount spent, such fixed amount is debited to (Realisation/Capital) Account and Credited to (Capital/Bank) Account.

**9**. Partner’s loan is —————— (recorded/not recorded) in the (Realisation Account).

**10**. Partner’s current accounts are transferred to respective ———————— Partners’ (Loan/Capital) Accounts.