

# TYBAF Internal Exam Sem VI Financial Accounting VII Feb 2022

## Multiple choice questions

1. At present Electricity companies are governed by \*
  - a. Electricity Act 1910
  - b. Electricity supply act 1948
  - c. Electricity regulatory commissions Act 1998
  - d. Electricity Act 2003
  
2. Interest on security deposit from electricity consumers \_\_\_\_\_ \*
  - a. is not payable
  - b. is payable at bank rate or more as prescribed
  - c. is payable only at bank rate
  - d. may be paid at a rate lower than the bank rate
  
3. Electricity Tariffs are fixed \*
  - a. by appropriation commission
  - b. under Electricity (Supply) Act, 1948
  - c. under Electricity Act, 1910
  - d. Under Electricity Regulatory commission Act, 1998
  
4. Security deposit from electricity consumer \*
  - a. May be collected under section 43 of the Electricity Act, 2003
  - b. May be collected under section 47 of the Electricity Act, 2003
  - c. Is the same everywhere in India?
  - d. Cannot be collected
  
5. Any reduction to market value of current investment from cost on valuation date is debited to \_\_\_\_\_ \*
  - a. Revaluation reserve
  - b. profit and loss account
  - c. Capital reserve
  - d. general reserve
  
6. Balance of security deposit from electricity consumers \*
  - a. Is written off
  - b. Is shown as current liability
  - c. Is shown as Non-current liability
  - d. Is shown as current assets
  
7. Formats of financial statement of Electricity companies are laid down in \*
  - a. The Central Electricity Regulatory Commission act
  - b. The Companies Act
  - c. The Income Tax act
  - d. The Electricity Act, 2003
  
8. Balance of Accrued interest on Security deposit from electricity consumers \*
  - a. Is written off
  - b. Is shown as current liability
  - c. Is shown as Non-current liability
  - d. Is shown as current assets

9. Grant received under APDRP of Ministry of Power is accounted for \*

- a. As a liability
- b As a reserve
- c As a capital reserve
- d As a reduction in cost of fixed assets

10. In case of Electricity Company, depreciation is charged as per \*

- a The rate prescribed by the Central Electricity Regulatory Commission
- b The rate prescribed by the Companies Act
- c The rate prescribed by the Income Tax Act
- d The rate prescribed by the Comptroller and Auditor General of India

11. In case of additional capital expenditure by Electricity Companies during the year, depreciation rate should be applied on \*

- a Closing gross block of assets
- b Opening gross block of assets
- c Average gross block of assets
- d On additional capital expenditure on time basis or pro rata basis

12. Sale of Electricity to Commercial Undertakings will be credited to \_\_\_\_\_ \*

- a Profit and Loss
- b Balance Sheet
- c Revenue A/c
- d Capital A/c

13. Depreciation is charged on \_\_\_\_\_ \*

- a Historical Cost
- b Market Value
- c Cost Value
- d Revalued Value

14. The depreciation in case of Electricity Companies should be charged in such a way that salvage value of asset remains \_\_\_\_\_ % of cost and \_\_\_\_\_ % of cost is depreciated during the useful life of asset. \*

- a 90,10
- b 10,90
- c 20,80
- d 80, 20

15. Under Double account system, Balance sheet is divided into \_\_\_\_\_ parts. \*

- a Two
- b Three
- c Four
- d Five

16. While preparing Final Accounts of Electricity Companies, Meter Rent is disclosed under \*

- a Sale of Electricity
- b Generation, Operation and Maintenance Expenses
- c Other Income
- d Other expenses

17. In case of Electricity Companies, funds provided by central government for Capital expenditure purposes has \_\_\_\_\_ \*

- a Grant Component
- b Loan Component
- c Grant & Loan Component
- d Flexible Component

18. For Electricity Companies in special category states, 100% of the project cost is provided,

- a 90% in Grants form & 10% in Loan form
- b 60% in Grants form & 40% in Loan form
- c 70% in Grants form & 30% in Loan form
- d 80% in Grants form & 20% in Loan form

**State True or False**

1. Service line contribution from consumers may be accounted for as a liability \*

- True
- False

2. APDRP means Accelerated power Development and Reforms programme \*

- A True
- B False

3. Amount spent for replacement will be charged to capital account. \*

- A True
- B False

4. The electricity Act 2003 does not prescribe any formats of financial statements. \*

- A True
- B False

5. Electricity companies are required to prepare their accounts as per the schedule III to the companies Act 2013. \*

- A True
- B False

6. The value base for depreciation should be capital cost of asset. \*

- A True
- B False

7. Cost of land should be capital cost of asset. \*

- A True
- B False