

CA FOUNDATION

Accounts TRUE OR FALSE



CA
ZUBAIR
KHAN

FCA, B.Com, Dip in IFRS (ACCA)

Sr. No.	Question	Answer
Chapter 1 - Accounting - Theoretical Framework		
1	[RTP June 2018 & RTP Dec. 2020] Accrual concept implies accounting on cash basis	False: Accrual concept implies accounting on 'due' or 'accrual' basis. Accrual basis of accounting involves recognition of revenues and costs as and when they accrue irrespective of actual receipts or payments.
2	[RTP June 2019] The value of human resources is generally shown as assets in the Balance Sheet.	False: The value of human resources cannot be measured in monetary terms, thus it will not be shown in the balance sheet.
3	[RTP June 2019, RTP Dec. 2021 & RTP Dec. 2022] The financial statement must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.	True: The financial statement must disclose all the relevant and reliable information in accordance with the Full Disclosure Principle.
4	[RTP June 2019] Amount paid to Management company for consultancy to reduce the working expenses is capital expenditure if the reduced working expenses will generate long term benefits to the entity.	True: Amount paid to management company for consultancy to reduce the working expenses is capital expenditure as this expenditure will generate long-term benefit to the entity.
5	[RTP Dec, 2019 & Exam June 2018] Expenses in connection with obtaining a license for running the Cinema Hall is Revenue Expenditure.	False: The Cinema Hall could not be started without license. Expenditure incurred to obtain the license is pre-operative expense which is capitalized. Such expenses are not revenue and amortized over a period of time
6	[RTP June 2021] Amount spent on the replacement of worn out part of machine is Capital Expenditure.	False: Amount spent for replacement of any worn out part of a machine is revenue expense since it is a part of its maintenance cost.
7	[RTP June 2021] Goodwill is intangible asset therefore it cannot be valued.	False: Even though Goodwill is intangible asset it can be valued in terms of money. It can be measured in terms of physical units.

8	[RTP June 2022] The gain from sale of capital assets need not be added to revenue to ascertain the net profit of a business.	True: The profit on sale of capital assets should not be added to revenue to ascertain profit since it has not been earned due to normal business operations.
9	[Exam Dec. 2018] Overhauling expenses for the engine of motor car to get better fuel efficiency is revenue expenditure	False: Overhauling expenses for the engine of the motor car is incurred to get better fuel efficiency. These expenses will reduce the running cost in future and thus the benefit is in the form of a long-term advantage. So overhauling expenses should be capitalized.
10	[Exam June 2019] Amount spent for the construction of temporary huts, which were necessary for construction of the Cinema House and were demolished when the Cinema House was ready, is capital expenditure.	True: Since the temporary huts were necessary for the construction, their cost should be added to the cost of the cinema hall and thus capitalised.
11	[Exam Dec. 2019] Trade Discount is a reduction granted by a supplier from the list price of goods or services on business considerations for prompt payment.	False: Trade Discount is a reduction granted by a supplier from the list price of goods or services on business considerations other than for prompt payment
12	[Exam Dec. 2019] M/s. XYZ & Co. runs a cafe. They renovated. some of the old cabins. Because of this renovation some space was made free and number of cabins was increased from 15 to 18. The total expenditure incurred was ` 30,000 and was treated as a revenue expenditure.	False: Renovation of cabins increased the number of cabins. This has an effect on the future revenue generating capability of the business. Thus the renovation expense is capital expenditure in nature.
13	[Exam Dec. 2020] Insurance claim received on account of plant and machinery completely damaged by fire is a capital receipt.	True; Insurance claim received on account of plant and machinery completely damaged by fire is a capital receipt as it is not obtained in course of normal business activities.
14	[Exam Dec. 2020] A concern proposes to discontinue its business from	False; If the fundamental accounting

	December 2020 and decides to dispose off all its plants within a period of 3 months. The Balance Sheet as on 31st December, 2020 should continue to indicate the plants at its historical costs as the assets will be disposed off after the Balance Sheet date.	assumption of going concern is not followed, then the assets and liabilities should be stated at realizable value not historical cost.
15	[Exam Jan. 2021] Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt.	True; Subsidy received from the government for working capital by a manufacturing concern is a revenue receipt because it has no effect on improvement of future capability of business in revenue generation.
16	[Exam Jan. 2021] Accounting Standards for non-corporate entities in India are issued by the Central Government.	False; Accounting Standards for non-corporate entities in India are issued by the Institute of Chartered Accountants of India (ICAI).
17	[Exam Dec. 2021] Any amount spent to minimize the working expenses is revenue expenditure	False: It may be reasonably presumed that money spent for reducing revenue expenditure would have generated long-term benefits to the entity. So this is capital expenditure.
18	Expenses incurred on the repairs for the first time on purchase of an old building are capital expenditure.	True: Repairs for the first time of an old building are incurred to put the building in usable condition. This is a part of the cost of building. Accordingly, this is a capital expenditure.
19	[Exam June 2022] A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a Contingent Liability.	False: A claim that an enterprise is pursuing through legal process, where the outcome is uncertain, is a contingent asset.
20	[Exam June 2022] Any amount spent for replacement of worn out part of a machine is capital expenditure.	False: Amount spent for replacement of any worn-out part of a machine is revenue expense since it is part of its maintenance cost.

21	[Exam Dec. 2022] The financial statements are not prepared on the assumption that an enterprise is a going concern and will continue its operation for the foreseeable future.	False: The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future.
22	[Exam Dec. 2022] A fixed charge generally covers all the assets of the company including future one.	False: A fixed charge is a mortgage on specific assets. A floating charge generally covers all the assets of the company including future one.
Chapter 2 - Accounting Process		
23	[RTP June 2018, RTP Dec. 2020 & Exam Jan. 2021] The Sales book is kept to record both cash and credit sales	False - The Sales book is a register specially kept to record credit sales of goods dealt in by the firm, cash sales are entered in the cash book and not in the sales book.
24	[RTP Dec. 2018] The balance in petty cash book represents an asset.	True: The balance represents the cash physically in existence and is therefore an asset.
25	[RTP June 2019] Accounting can be viewed as an information system which has its input processing methods and output.	True: Accounting is a process of identifying, measuring and communicating information to permit informed judgement and decisions. It covers the preparation of financial statements and communication to the users of accounts.
26	[RTP June 2019, RTP Dec. 2021 & RTP Dec. 2022] The debit notes issued are used to prepare Sales Return Book.	False: The debit notes issued are used to prepare purchases return book.
27	[RTP June 2021] Gauri purchased goods worth `75,800 at 5% trade discount and she paid half of the amount in cash. The amount appearing in the purchase book is ` 36,005.	True: the trade discount is to be deducted from the total value of ` 75,800. The amount paid in cash includes cash purchases and only the credit purchase will be shown in the purchases book- 36,005 (72,010 x 50%).
28	[Exam June 2021] Cash book is a subsidiary book as well as a principal	True: Cash transactions are straightaway recorded in the Cash Book and on the

	book.	basis of such a record, ledger accounts are prepared. Therefore, the Cash Book is a subsidiary book. But the Cash Book itself serves as the cash account and the bank account; the balances are entered in the trial balance directly. The Cash Book therefore, is part of the ledger also. Hence, it has also to be treated as a principal book. The Cash Book is thus both a subsidiary book and a principal book.
29	[Exam Dec. 2021] Discount column of the cash book is never balanced.	True: Discount column is totalled and transferred to the discount allowed or received account.
Chapter 3 - Bills of Exchange		
30	[RTP June 2018, RTP Dec. 2020 & RTP Dec. 2022] Discount at the time of retirement of a bill is a gain for the drawee.	True - Discount at the time of retirement of a bill is a gain for the drawee and loss for the drawer.
31	[RTP Dec. 2021] Bills receivable and bills payable books are type of subsidiary books.	True: Yes, they are types of subsidiary books which is alternate to the journals.
32	[Exam Dec. 2019] In case of bill of exchange, the drawer and the payee may not be the same person but in case of a promissory note, the maker and the payee may be the same person.	False: The drawer and payee may be same person in case of bill of exchange. whereas in promissory note maker and payee can't be same person.
Chapter 4 - Rectification of Errors		
33	[Exam Dec. 2020] Purchase of office furniture & fixtures of ` 2,500 has been debited to General Expense Account. It is an error of omission.	False: When a transaction is recorded in contravention of accounting principles, like treating the purchase of an asset as an expense, it is an error of principle. Purchase of office furniture and fixtures is a capital expenditure, if debited to General Expenses account, is an error of principle and not an error

		of omission.
34	[RTP June 2019 & Dec. 2021] A Talled trial balance means that the books of accounts have been prepared as per accepted accounting principles.	False: Trial balance only checks the arithmetical accuracy of the books. Errors of principle and errors of commission will not affect the agreement of the trial balance.
35	[RTP June 2019 & Dec. 2021] The rationale behind the opening of a suspense account is to tally the trial balance.	False: The rationale behind the opening of a suspense account is to avoid delay in the preparation of financial statements.
36	[RTP Dec. 2019, RTP June 2023 & Exam June 2018] If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will disagree.	False: If the effect of errors committed cancel out, the errors will be called compensating errors and the trial balance will agree.
37	[Exam June 2019] If the amount is posted in the wrong account or it is written on the wrong side of the account, it is called error of principle.	False: If an amount is posted in the wrong account or is written on the wrong side of the correct account, it is case of "errors of commission" and is not "error of principle".
38	[Exam June 2022 & Exam Dec. 2022] If the errors are detected after preparing trial balance, then all the errors are rectified through suspense account.	False: If the errors are detected after preparing trial balance, then all the errors are not rectified through suspense account. There may be Errors of Principle and/or Errors of Omission, which can be rectified without opening a suspense account.
Chapter 5 - Bank Reconciliation Statement		
39	[RTP June 2018, RTP Dec. 2020 & RTP Dec. 2022] Bank reconciliation statement is prepared to arrive at the bank balance.	False - Bank reconciliation statement is prepared to reconcile and explain the causes of differences between bank balance as per cash book and the same as per bank statement as on a particular date.

Chapter 6 - Consignment		
40	[RTP Dec. 2018] Consignment account is of the nature of real account.	False: Consignment account is a nominal account.
41	[RTP June 2019, RTP June 2021 & RTP June 2022] The additional commission to the consignee who agrees to bear the loss on account of bad debts is called overriding commission.	False: The additional commission to the consignee who agrees to bear the loss on account of bad debts is called del credere commission.
42	[RTP Dec. 2019, RTP June 2023 & Exam June 2019] In case of consignment sale, ownership of goods will be transferred to consignee at the time of receiving the goods.	False: In Consignment sale, ownership of the goods rests with the consignor till they are sold by the consignee. The consignee does not become the owner of the goods even though goods are in his possession. He acts only as agent of the consignor.
43	[Exam Dec. 2018] If del-creders commission is paid to consignee, the loss of bad debts is to be borne by the consignor.	False: To increase the sale and to encourage the consignee to make credit sales, the consignor provides an additional commission generally known as del-credere commission. In case del-credere commission is provided to consignee, bad debts is no more the loss of the consignor and it is borne by the consignee.
44	[Exam Dec. 2020] A Limited is sending goods costing ` 50,000 to B Limited on consignment basis. The accountant of A Limited is of the opinion that these goods should be sent under a sale invoice.	False: Goods sent on consignment basis should be sent under a proforma invoice not a sale invoice.
45	[Exam Jan. 2021] Consignee will not pass any journal entry in his books at time of receiving of goods from Consignor.	True; Consignee is not concerned when goods are consigned to him or when the consignor incurs expenses. He is concerned only when he sends an advance to the consignor, makes a sale, incurs expenses on the consignment and

		earns his commission. He does not pass any entry in his books at the time of receiving goods from consignor.
46	[Exam Dec. 2021] There is no entry passed by the consignee in his books for the remaining stock of goods lying with him.	True: It is the consignor who has to record the closing stock of the consigned goods since he is the owner of the goods. There is no entry passed in the books of the consignee.
Chapter 7 - Depreciation		
47	[RTP June 2018, RTP June 2019, RTP Dec. 2020 & Dec. 2021] Reducing balance method of depreciation is followed to have a uniform charge for depreciation and repairs and maintenance together.	True - In the early periods of useful life of a fixed assets, repairs and maintenance expenses are relatively low because the asset is new. Whereas in later periods, as the asset become old, repairs and maintenance expenses increase continuously. Under written down value method, depreciation charged is high in the initial period and reduces continuously in the later periods. Thus, depreciation and repair and maintenance expenses become more or less uniform throughout the useful life of the asset.
48	[RTP Dec. 2022 & Exam Dec. 2018] Depreciation is a non-cash expense and does not result in any cash outflow.	True: Depreciation is a non-cash expense and unlike other normal expenditure (e.g. wages, rent, etc.) does not result in any cash outflow. Therefore depreciation is a non-cash expense and does not result in any cash outflow.
Chapter 8 - Inventory		
49	[RTP June 2018 & RTP Dec. 2020] Finished goods are normally valued at cost or market price whichever is higher.	False - Finished goods are normally valued at cost or net realizable value whichever is lower.
50	[RTP June 2021] When closing	False: When closing inventory is

	inventory is overstated, net income for the accounting period will be understated.	overstated, net income for the accounting period will be overstated.
51	[Exam Dec. 2019] Valuation of inventory, at cost or net realizable value, whichever less, is based on principle of Conservatism.	True: The conservatism concept states that one shall not account for anticipated profits but shall provide all prospective losses. Valuing inventory at cost or net releasable value whichever is less, therefore is based on principle of Conservatism.
52	[Exam June 2021] Warehouse rent paid for storage of finished inventory should be included in the cost of finished inventory.	False: Warehousing costs related to finished goods are expensed when incurred and are not included in inventory costs unless storage is incurred for getting the inventory ready for sale i.e. until and unless storage is required as a part of process of production of inventory like in case of wine.
53	[Exam Dec. 2022] Periodic inventory system is a method of ascertaining inventory by taking an actual physical count.	True: Under Periodic inventory system actual physical count of inventory is taken of all the inventory on hand at a particular date.
Chapter 9 - Sales on Approval		
54	[Exam June 2021] Goods sold on approval or return basis are not recorded as credit sales initially when they are sent-out,	False: They are recorded as sales irrespective of whether the customer might accept or reject the goods at the end of the period given for the approval.
Chapter 10 - Average Due Date		
55	[Exam June 2022] The specific due date excludes the addition of grace days to arrive at the due date	True: Where the due date is specifically given, then there is no need of further addition of 3 days grace to it.
Chapter 11 - Account Current		
56	[RTP Dec. 2018 & RTP June 2023]	True: No interest is allowed when the

	The problem of red-ink interest arises when the due date of a transaction falls after the closing date of account current.	due date of a bill falls after the date of closing the account. However, interest from the date of closing to such due date is written in 'Red Ink' in the appropriate side of account current.
57	[RTP June 2019] In Account Current, Red Ink Interest is treated as negative interest.	True: In case the due date of a bill falls after the date of closing the account, then no interest is allowed for that. However, interest from the date of closing to such due date is written in 'Red Ink' in the appropriate side of Account Current. This Red Ink Interest is treated as negative interest.
58	[RTP Dec. 2019, Exam June 2018 & Exam Jan. 2021] There are two ways of preparing an account current.	False: There are three ways of preparing an Account Current: (i) With help of interest table; (ii) By means of products and (iii) By means of products of balances.
59	[RTP Dec. 2019, RTP Dec. 2022 & June 2019] In case the due date of a bill falls after the date of closing the account, the interest from the date of closing to such due date is known as Red-Ink interest.	True: In case the due date of a bill falls after the date of closing the account, then no interest is allowed for that. However, interest from the date of closing to such due date is written in "Red-Ink" in the appropriate side of the 'Account current'. This interest is called Red-Ink interest.
Chapter 12 - Final Account		
60	[RTP June 2018, RTP Dec. 2020 & RTP Dec. 2022] A withdrawal of cash from the business by the proprietor should be charged to profit and loss account as an expense.	False - Cash withdrawal by the proprietor from his business should be treated as his drawings and not a business expense chargeable to profit and loss account. Such drawings should be deducted from the proprietors capital.
61	[RTP Dec. 2018] Stock at the end, if appears in the Trial Balance, is taken only to the Balance Sheet.	True: Because it depicts that one aspect of the double entry has been completed.

62	[RTP Dec.. 2018 & RTP June 2023] "Salary paid in advance" is not an expense because it neither reduces assets nor increases liabilities.	True: Salary paid in advance relates to the coming accounting period. It has nothing to do with the current period. Hence it is not taken in the Profit and Loss Account as an expense. It is shown as a Current Asset in the Balance Sheet.
63	[RTP June 2019 & RTP Dec. 2021] The results and position disclosed by final accounts are not exact.	True: They are prepared on the basis of assumptions, conventions, concepts and personal judgements of the person who prepare them.
64	[RTP June 2019] Goods worth ` 600 taken by the proprietor for personal use should be credited to Capital Account.	False: Goods taken by the proprietor for personal use should be credited to Purchases Account as less goods are left in the business for sale.
65	[RTP June 2021] All the personal & real accounts are recorded in P&L A/c.	False: All the personal & real account are recorded in balance sheet.
66	[RTP June 2021 & RTP Dec. 2021] Outstanding salaries for the previous year shall be shown as liability in the current year balance sheet.	False: It shall be disclosed as a current liability in the opening balance sheet.
67	[RTP June 2022] Sale of office furniture should be credited to Profit and Loss Account.	False: Sale of office furniture should be credited to Furniture account since it is a capital receipt.
68	[RTP Dec. 2022 & Exam Dec. 2018] If Closing Stock appears in the Trial Balance then the closing inventory is not entered in Trading Account. It is shown only in the balance sheet.	True: The closing stock appears in the trial balance only when it is adjusted against purchases by passing the entry (in which Closing Stock A/c is debited and Purchases A/c is credited). In this case, closing stock is not entered in Trading Account and is shown only in Balance sheet.
69	[RTP June 2023] Prior period items need not be separately disclosed in the current statement of profit and loss.	False: Prior Period Items should be separately disclosed in the current statement of profit and loss together with their nature and amount in a manner that their impact on current

		profit or loss can be perceived.
70	[RTP June 2023] The sale value of by-product is credited to Trading Account.	False: The sale value of the by-product is credited to Manufacturing Account so as to reduce to that extent, the cost of manufacture of main product.
71	[Exam Dec. 2021] The provision for bad debts is debited to sundry debtors account.	False: The provision for bad debts is debited to Profit and loss Account, in Balance Sheet it is shown either on liability side or deducted from the head debtors.
72	[Exam June 2022] At the end of the accounting year, all the nominal accounts of the ledger book are balanced.	False: At the end of the accounting year, all the nominal accounts of the ledger book are totalled and transferred to Profit & Loss A/c.
73	[Exam Dec. 2022] The provision for discount on creditors is often not provided in keeping with the principle of conservatism.	True: According to the principle of conservatism provision is maintained for the losses to be incurred in future. Discount on creditors is an income so provision is not maintained.
Chapter 13 - Partnership		
74	[RTP June 2018, RTP Dec. 2020 & RTP June 2023] Partners can share profits or losses in their capital ratio, when there is no agreement.	False - According to Partnership Act, in the absence of any agreement to the contrary profits and losses are to be shared equally among partners.
75	[RTP June 2019] When there is no agreement among the partners, the profit or loss of the firm will be shared in their capital ratio.	False: According to the Indian Partnership Act, in the absence of any agreement to the contrary, profits and losses of the firm are shared equally among partners.
76	[RTP Dec. 2021 , RTP June 2022 & Exam Dec. 2019] A partnership firm can acquire fixed assets in the name of the firm.	False: A partnership firm cannot acquire fixed assets in its name since it is not a separate legal entity. It acquires fixed assets in the name of its partners.
77	[Exam June 2018] When there is no partnership deed prevails, the interest	True: When there is no partnership deed then the provisions of the Indian

	on loan of a partner to be paid @ 6%.	Partnership Act are to be applied for settling the dispute. Interest on loan is payable @ 6% p.a. as per Indian Partnership Act.
78	[RTP Dec. 2019 & Exam June 2019] Limited Liability Partnership (LLP) is governed by Indian Partnership Act, 1932.	False: The provisions of the Indian Partnership Act, 1932 shall not apply to a limited liability partnership. Limited Liability (LLPs) Act, 2008 is applicable for Limited Liability Partnerships.
79	[Exam Dec. 2020] In case of admission of a new partner in a partnership firm, the profit/loss on revaluation account is transferred to all partners in their new profit sharing ratio.	False: In case of admission of new partner in a partnership firm, profit/loss on revaluation account is transferred to old partners in their old profit-sharing ratio.
80	[Exam June 2021] Business of partnership comes to an end on death of a partner.	False: Surviving partners may continue to carry on the business in case of partnership.
Chapter 14 - Non Profit Organisation		
81	[RTP June 2018 & RTP Dec. 2020] Receipts and Payments Account highlights total income and expenditure.	False- Receipts and payments account is a classified summary of cash receipts and payments over a certain period together with cash and bank balances at the beginning and close of the period.
82	[RTP Dec 2018 & RTP June 2023] Net income in case of persons practicing vocation is determined by preparing profit and loss account.	False: Net income is determined by preparing income and expenditure in case of persons practicing vacation.
83	[RTP Dec. 2018] In case a Sports Fund is kept, expenses on account of sports events should be charged to Sports Fund.	True: Institutions sometimes keep special funds for some special purposes. In such a case the income related to such funds should be added to these funds and expenses should be deducted from such funds.
84	Laboratory & library Deposits taken from the students in case of an	True: Because the laboratory and library deposits are of the nature of

	Educational Institution are shown on the liabilities side of the Balance Sheet.	security deposits to be refunded to the students on their leaving the College or University.
85	[RTP Dec. 2022 & Exam Dec. 2018] Fees received for Life Membership is a revenue receipt as it is of recurring nature .	False: Life Membership Fee received for life membership is a capital receipt as it is of non-recurring nature. It is directly added to capital fund or general fund.
86	[Exam Dec. 2022] Both revenue and capital nature transactions are recorded in the Receipts and Payments Account.	True: All the receipts and payments whether of revenue or capital nature are included in Receipt and Payment account.
Chapter 15 - Company Accounts		
87	[RTP June 2018 & RTP Dec. 2022] Debenture interest is payable after the payment of preference dividend but before the payment of equity dividend.	False - Debenture interest is payable before the payment of any dividend on shares.
88	[RTP June 2019] When shares are forfeited, the share capital account is debited with called up capital of shares forfeited and the share forfeiture account is credited with calls in arrear of shares forfeited.	False: When shares are forfeited, the share capital account is debited with called up capital of shares forfeited and the share forfeiture account is credited with amount received on shares forfeited.
89	[RTP Dec. 2019, Exam June 2018 & Exam Jan. 2021] Re-issue of forfeited shares is allotment of shares but not a sale.	False: A forfeited share is merely a share available to the company for sale and remains vested in the company for that purpose only. Reissue of forfeited shares is not allotment of shares but only a sale as they have already been allotted earlier.
90	[RTP June 2021] Interest on calls in arrears is payable by company to shareholders.	False: Interest on calls in arrears is payable by shareholders to company.
91	[RTP June 2021 & RTP June 2022] Debenture holders enjoy the voting	False: Debenture holder does not enjoy voting rights in company. He is only a

	rights in the company.	creditor of the company.
92	[RTP June 2023] "Listed company" means a company which has its securities only listed with National stock exchange	False: As per Section 2 (52) of the Companies Act, 2013,"listed company" means a company which has any of its securities listed on any recognised stock exchange.
93	[Exam Dec. 2019] Since company has existence independent of its members, it continues to be in existence despite the death, insolvency or change of members.	True: As per Perpetual Existence company has existence independent of its members, it continues to be in existence despite the death, insolvency or change of members.
94	[Exam Dec. 2020] In the balance sheet of X Limited, preliminary expenses amounting to ` 5 lakhs and securities premium account of ` 35 lakhs are appearing; The accountant can use the balance in securities premium account to write off preliminary expenses.	True; According to Section 52 of the Companies Act, 2013, Securities Premium Account may be used by the company to write off preliminary expenses of the company. Thus, the accountant can use the balance in securities premium account to write off the preliminary expenses amounting ` 5 lakhs.
95	[Exam June 2021] A Company is not allowed to issue shares at a discount to the public in general.	True: According to Section 53 of the Companies Act, 2013, a Company cannot issue shares at a discount except in the case of issue of sweat equity shares (issued to employees and directors).
96	[Exam June 2021] A person holding preference shares of a company cannot hold equity shares of the same company.	False: Preference share holder can hold both Equity shares and Preference shares of the company. Any person can hold both kinds of shares.
97	[Exam Dec. 2021] Non-participating preference shareholders enjoy voting rights.	False: A share on which only a fixed rate of dividend is paid every year, without any accompanying additional rights in profits and in the surplus on winding-up, is called 'Non-participating Preference Shares. Non-participating preference shareholders do not enjoy voting rights.

98	[Exam June 2022] Debentures Suspense Account appears on the Liability side of the Balance Sheet of a Company.	False: Debentures Suspense Account appears on asset side of Balance Sheet under Non-Current Asset.
----	--	---