

NAT I Commerce Accounting

Sr	Questions	Answers Choice
1	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities D. Capital + Liabilities
2	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
3	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
4	Assets which come into existence upon the happening of a certain event are called	A. Fictitious assets B. Floating assets C. Contingent assets D. Dependent assets
5	The errors which cancel themselves out are called	A. Errors of omission B. Compensating errors C. Errors of commission D. None of these
6	Bank reconciliation represents	A. Ledger B. Statement C. Journal D. Both ledger and statement
7	The purchase of machinery on account would:	A. Increase one asset and decrease another asset B. Increase an asset and decrease liability C. Increase an asset and increase capital D. Increase an asset and increase a liability
8	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Raw form
9	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies
10	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
11	Important types of ledger are	A. General ledger B. Proprietor ledger C. Creditors ledger D. General ledger & creditor ledger bot
12	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
13	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
14	A bill of exchange is accepted by	A. Debtor B. Holder C. Creditor D. Seller

15	Business debts are also called is	A. Capital B. Liabilities C. Drawing D. Assets
16	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first
17	Which of the following account is increased by debit entries	A. Capital A/c B. Building A/c C. Sales A/c D. Purchase return A/c
18	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
19	Transaction which is omitted from record is known as	A. Errors of omission B. Errors of principle C. Errors of commission D. Compensating errors
20	Carriage paid on goods purchased is a	A. Direct expense B. Opening expense C. Indirect expense D. General expense