

Accounting Test Easy Mode

Qr.	Questions	Answers Choice
Sr	Questions	
1	The concept of conservation will have the effect of:	A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above
2	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & D. B
3	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
4	Cash of sales is equal to	A. Sales - purchases B. Purchases - return + closing stock C. Opening stock + Purchases (Net) - Closing stock D. Sales + Opening stock - (Purchases + Closing stock)
5	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	A. Error of principle B. Error of omission C. Error of casting D. Error of transposition
6	All the direct expenses are charged to:	A. Balance sheet B. Profit and loss account C. Trading account D. None of these
7	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
8	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
9	Cash paid to Naeem will affect	A. cash & Department of the Control
10	If the error committed in the capital account, it will affect	A. trading account B. profit & Dissaccount C. trading and profit & Dissaccount D. balance sheet
11	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note
12	In case of a debt becoming bad, the amount should be credited to	A. Debtor's a/c B. Bad Debts a/c C. Sales a/c D. cash a/c
13	The balance of the 'Caha Column' in cash book is always:	A. Debit balance B. Credit balance C. Both debit and credit balance D. None of the above
14	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & D. Bot
		A. Error of commission

15	If a transaction has been completely omitted from the Journal it will be considered	B. Error of principle C. Error of omission D. None of these
16	A double column cash book is used to record	A. Cash transactions only B. Cash and bank transaction C. Cash, bank and discount transaction D. None of these
17	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
18	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
19	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
20	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager