

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Cash paid to Naeem will affect	A. cash & Diction A. cash & Diction A. cash & Diction A. cash & Diction A. cash and debtors
2	Office rent is a	D. cash & Samp; goods A. Financial Expense B. Abnormal Loss C. Management Expense
3	Interest due but not received is an	D. Maintenance Expense A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
4	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
5	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these
6	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
7	Pass book is prepared by	A. Debtor B. Creditor C. Banker D. Customer
8	Assets which have no physical existence are called	A. Tangible assets B. Fictitious assets C. Liquid assets D. Intangible assets
9	All the time of endorsement of a bill the drawer credits:	A. The drawee account B. The endorser's personal account C. Bill receivable account D. Endorser's account
10	How many parties are involved in case of Discounting of a bill?	A. Two B. Three C. Four D. None of these
11	The excess of credit column over debit column in income statement is called	A. Net loss B. Net profit C. Cash balance D. Gross profit
12	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
13	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
14	Usually every entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
15	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis

16	Financial statement is prepared from the amount given in	A. Trail balance columns B. Adjustments columns C. Cash columns D. Adjusted trail balance columns
17	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
18	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
19	Retiring a bill under rebate means	A. Payment of Bill Before Due Dat B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill
20	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance