

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The balance of the trading account is the transferred to:	<p>A. Profit and loss account</p> <p>B. Balance sheet</p> <p>C. Work sheet</p> <p>D. Position statement</p>
2	Gross profit equals to	<p>A. Net profit minus expenses</p> <p>B. Sales minus closing stock</p> <p>C. Purchases minus closing stock</p> <p>D. Sales minus cost of goods sold</p>
3	Retiring a bill under rebate means:	<p>A. Making payment for the bill before the due date</p> <p>B. Making payment for the bill after the due date</p> <p>C. Dishonouring bill</p> <p>D. None of the above</p>
4	The profit which is earned during the ordinary course of business is regarded as:	<p>A. Capital profit</p> <p>B. Revenue profit</p> <p>C. Revenue loss</p> <p>D. Long term profit</p>
5	Outstanding expense given in adjustment is called	<p>A. An asset</p> <p>B. A gain</p> <p>C. An expense</p> <p>D. A liability</p>
6	Excise duty is a	<p>A. Direct revenue</p> <p>B. Indirect revenue</p> <p>C. Direct expense</p> <p>D. Indirect expense</p>
7	An expenditure, which is temporarily increase the profit making capacity of the business is called	<p>A. Deferred expenditure</p> <p>B. Capital expenditure</p> <p>C. Revenue expenditure</p> <p>D. Non-recurring expenditure</p>
8	Subsidiary books are called books of	<p>A. Original entry</p> <p>B. Secondary entry</p> <p>C. Final entry</p> <p>D. Basic entry</p>
9	When is a drawee is declared insolvent which account is to be debited in the books of drawer	<p>A. Deficiency a/c</p> <p>B. Bad Debts a/c</p> <p>C. Solvency a/c</p> <p>D. None of these</p>
10	Transportation cost paid for the purchases of Machinery must be debited to	<p>A. Transportation cost account</p> <p>B. Purchases account</p> <p>C. Machinery account</p> <p>D. Cash account</p>
11	The capital profit should be transferred to:	<p>A. Profit and loss account</p> <p>B. Trading account</p> <p>C. Balance Sheet</p> <p>D. Both Trading and profit and loss account and balance sheet</p>
12	Expired cost of fixed assets means	<p>A. Appreciation</p> <p>B. Amortization</p> <p>C. Depreciation</p> <p>D. None of these</p>
13	Expenditure is revenue expenditure because	<p>A. It is intended to benefit the current period</p> <p>B. The amount involved is small</p> <p>C. It is deducted from the gross sale proceeds</p> <p>D. None of these</p>
14	Modern system of bookkeeping is	<p>A. single entry system</p> <p>B. double entry system</p> <p>C. modern system</p> <p>D. none of these</p>

15	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	<ul style="list-style-type: none"> <li>A. Payment voucher</li> <li>B. Receipt voucher</li> <li>C. Cash voucher</li> <li>D. None of these</li> </ul>
16	It is prepaid to determine the gross profit or gross loss	<ul style="list-style-type: none"> <li>A. Trading account</li> <li>B. Profit or loss account</li> <li>C. Balance sheet</li> <li>D. None of these</li> </ul>
17	The revenue that has not become due, but received in cash in current year is known as	<ul style="list-style-type: none"> <li>A. Revenue received in advance</li> <li>B. Accrued revenue</li> <li>C. Unearned revenue</li> <li>D. Both a &amp; c</li> </ul>
18	From business point of view, interest on capital is considered as	<ul style="list-style-type: none"> <li>A. An income</li> <li>B. An Expense</li> <li>C. A Profit</li> <li>D. A Liability</li> </ul>
19	A double column cash book is used to record	<ul style="list-style-type: none"> <li>A. Cash transactions only</li> <li>B. Cash and bank transaction</li> <li>C. Cash, bank and discount transaction</li> <li>D. None of these</li> </ul>
20	Any mistake in ledger can be easily detected with the help of:	<ul style="list-style-type: none"> <li>A. Journal&amp;nbsp;</li> <li>B. Balance sheet</li> <li>C. Trial balance</li> <li>D. Financial statement</li> </ul>