

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Assets come into existence upon the happening of a certain event, are called:	A. Fixed assets B. Fictitious assets C. Floating assets D. Contingent assets
2	When saleable goods are bought in a business are called:	A. Sales B. Purchase C. Assets D. Goods
3	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
4	How many columns are drawn on one side of three column cash book?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns
5	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
6	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
7	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
8	Suspense means	A. certainty B. uncertainty C. surly D. none of these
9	The accounting system in which accounting entries are made on the basis of amount having become due for payment or receipt, is called	A. Cash system B. Accrual or mercantile system C. Outstanding system D. None of these
10	Received a cheque from Bilal Rs. 1900 in ful settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & D. Bot
11	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
12	All revenue expenditure are taken to	A. Trading a/c B. Trading & D. Profit or Loss a/c C. Profit or loss a/c D. Balance sheet
13	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
14	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
15	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts

		D. both b and c
16	The balance of the trading account is the transferred to:	A. Profit and loss account B. Balance sheet C. Work sheet D. Position statement
17	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
18	Petty cash book is a branch of	A. Pass Book B. Cash Book C. Journal D. Ledger
19	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
20	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c D. None of these