Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	In three column cash book, discount column is	A. Totaled B. Balanced C. Carry Forward D. Both a and b
2	Petty cash book is a branch of	A. Pass Book B. Cash Book C. Journal D. Ledger
3	Adjusted ______ is used to prepare the income statement and balance sheet	A. Trail balance B. Ledger C. Balance sheet D. Bank statement
4	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
5	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
6	Stock is trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
7	It is used to record cash, bank and discount transactions on debit and credit side	A. Single column cash book B. Petty cash book C. Double column cash book D. Treble column cash book
8	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
9	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
10	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
11	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
12	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction
13	The owner of the business is known as:	A. Sale man B. Agent C. Proprietor D. Employee
14	When ban column of a cash book shows a debit balance it means:	A. Overdraft as per bank B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Favourable balance as per pass book
		A. Debit balance

15	The balance of the 'Caha Column' in cash book is always:	B. Credit balance C. Both debit and credit balance D. None of the above
16	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
17	The excess of gross profit on sale over total operating expenses is called:	A. Cost of goods sold B. Gross profit C. Net profit D. None-operating income
18	If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be	A. 3250 B. 1250 C. 3750 D. 1750
19	All revenue expenditure are taken to	A. Trading a/c B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet
20	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense