

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
2	Contain all residual account	A. Debtors Ledger B. Creditors Ledger C. General Ledger D. Cash Ledger
3	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
4	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these
5	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
6	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
7	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
8	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
9	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account
10	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
11	The book use to record all credit purchases is called:	A. Purchases book B. Purchase & return book C. Cash book D. Creditor book
12	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
13	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
14	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
15	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards

16	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
17	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & credited D. None of these
18	Cash paid to Naeem will affect	A. cash & capital B. cash & creditor C. cash and debtors D. cash & goods
19	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
20	A document given by the seller to the buyer for credit sale of goods or assets is called	A. Cash memo B. Invoice C. Voucher D. None of these