

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	A transaction has been journalized but posted wrongly in the ledger account, it is an:	<p>A. Error of positing B. Error of principle C. Error of omission D. Error of commission</p>
2	The favourable balance of bank statement is	<p>A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c</p>
3	Cash account is a:	<p>A. Personal account B. Real account C. Nominal account D. Both real and personal account</p>
4	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	<p>A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit</p>
5	All the transactions related to credit sales are recorded in	<p>A. Sales returns book B. Sales book C. Cash book D. Credit note book</p>
6	Outstanding expense given in adjustment is called	<p>A. An asset B. A gain C. An expense D. A liability</p>
7	Goodwill, patent, copyright are classified as	<p>A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets</p>
8	The book which is used to record all goods returned to us by our customers is called	<p>A. Returns outwards book B. Returns inwards book C. Sales book D. Cash book</p>
9	Net Sales represent	<p>A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c</p>
10	Accommodation bills are drawn accepted and endorsed	<p>A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above</p>
11	Unearned income are known as:	<p>A. Incomes B. Expenses C. Liabilities D. Assets</p>
12	Bad debts are	<p>A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these</p>
13	Suspense means	<p>A. certainty B. uncertainty C. surly D. none of these</p>
14	The outflow of funds to meet the running expenses of a business	<p>A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss</p>
15	An entry which is recorded on the both sides of cash book is called	<p>A. Simple entry B. Compound entry C. Combined entry D. Contra entry</p>

16	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
17	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
18	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
19	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet
20	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft