

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
Si	Questions	
1	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
2	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
3	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
4	Sales returns book periodical total is posted to	A. Debit of returns inwards account     B. Credit of returns inwards account     C. Debit of returns outwards account     D. Credit of returns outwards account
5	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
6	Discount deducted from the catalogue or list price is called:	A. Trade discount B. Cash discount C. Catalogue discount D. Credit discount
7	If there is any error in Bank account it will affect	A. Trading and profit and loss account     B. Profit and loss account     C. Trading account     D. Balance sheet
8	Retiring a bill under rebate means:	A. Making payment for the bill before the due date B. Making payment for the bill after the due date C. Dishonouring bill D. None of the above
9	One way of avoiding errors in the permanent accounting records is to use a form which is called	A. Bank statement B. Trail balance C. Balance sheet D. Work sheet
10	Interest due but not received is an	A. Outstanding expense     B. Accrued income     C. Prepaid expense     D. Unearned income
11	A sheet which minimizes the chances of errors to the maximum possible extent is called	A. Balance sheet B. Work sheet C. Paper sheet D. Income statement
12	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
13	Bill receivable book represents	A. Ledger B. Journal C. Trail balance D. All of above
14	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
		A. Rs. 200 will be deducted

15	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is the starting points:	B. Rs. 200 wll be added C. Rs. 400 wll be added D. Rs. 400 wll be deducted
16	Any mistake in ledger can be easily detected with the help of:	A. Journal  B. Balance sheet C. Trial balance D. Financial statement
17	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
18	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
19	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
20	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income