

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
2	When the goods are returned to the suppliers, an intimation is sent to them is called	A. Currency note B. Invoice C. Debit note D. Credit note
3	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. Capital expenditure C. Current expenditure D. None of these
4	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
5	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
6	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dues Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these
7	The statement which contains the explanation of different in cash book and bank statement is known as:	A. Bank statement B. Cash statement C. Balance statement D. Bank reconciliation statement
8	The periodical total of purchases book is posted to the	A. Debit of purchases account B. Credit of purchases account C. Credit of cash account D. Debit of sales account
9	From the business point of view, interest on drawings is	A. An asset B. An expense C. A liability D. A revenue
10	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & Ali account D. purchases & sales account
11	Payment of Rs. 50 to Raheel as wages for repairing machine should be debited to	A. Machinery a/c B. Repair a/c C. Wages a/c D. Raheel a/c
12	Errors, which do not affect on profit calculation, will have an effect only on	A. Trail balance B. Balance sheet C. Profit or loss account D. Trading account
13	The rules of the debiting the receiving and crediting the giver is applicable to:	A. Persona account B. Real account C. Nominal account D. Expense account
14	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
15	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Gross profit

D. Revenue

16	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
17	Net sales - cost of goods sold - operating expenses = ?	A. Net purchases B. Cost of goods sold available for sale C. Net operating income D. Gross Profit
18	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
19	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher D. Cash memo
20	Petty cash book is a branch of	A. Pass Book B. Cash Book C. Journal D. Ledger