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Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
2	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
3	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
4	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
5	If goods purchased from Rahim for Rs. 499, credited to Rehman's account for Rs. 499. this is an	A. Error of commission B. Error of principle C. Compensating error D. Error of principle
6	All the direct expenses are charged to:	A. Balance sheet B. Profit and loss account C. Trading account D. None of these
7	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
8	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
9	A bill which is both drawn and payable within the geographical boundaries of a country	A. Foreign Bill B. Local Bill C. Municipal Bill D. Inland Bill
10	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
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	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
13	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
14	In the preparation of the worksheet the amounts on the trail balance columns are taken directly from	A. Journal B. Ledger C. Trail balance D. Transaction
15	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense

16	Pass book is prepared by	A. Debtor B. Creditor C. Banker D. Customer
17	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
18	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
19	It is prepared to determine the net profit or net loss	A. Trading account B. Profit or loss account C. Cash book D. Balance sheet
20	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance