

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
2	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
3	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
4	A book which is used to record small expenses is called	A. Expenses book B. Cash book C. Petty cash book D. Purchases book
5	Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to:	A. Assets account B. Expenses account C. Cash account D. Purchases account
6	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
7	A receipt is revenue receipt because	A. the amount is small B. it relates to routine activity of business C. it is received in the accounting year D. both b, c
8	The transaction for which non separate book is maintained are recorded in:	A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book
9	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
10	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
11	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
12	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure
13	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
14	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
15	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts

		D. valuation accounts
16	Cash account is a:	A. Personal account B. Real account C. Nominal account D. Both real and personal account
17	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
18	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. Both a & c
19	A statement which is used to reconcile the bank balance as per cash book with the balance as per pass book is called	A. Bank statement B. Income statement C. Bank reconciliation statement D. Financial statements
20	Goods purchased from Robin have been posted to Rahim account, it is an:	A. Error of omission B. Error of casting C. Error of posting D. Error of commission