

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
2	Retiring a bill under rebate means	A. Payment of Bill Before Due Date B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill
3	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
4	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
5	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
6	Our cheque to Babar & Bros, returned dishonoured should be credited to	A. Cheque Account B. Cash Account C. Bank Account D. Babar & Samp; Bros A/c
7	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
8	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
9	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account
10	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & D. None of these
11	Capital contributed by the partners is a:	A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt
12	In double entry system of bookkeeping every business transaction affects:	A. Debit or credit side of the same account B. Two accounts C. The same side of the same account D. None of the above
13	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error
14	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
15	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & Debited

		D. None of these
16	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
17	Cost incurred to generate revenue is called	A. Revenue B. Cost C. Expense D. Liability
18	Error of carry forward will affect	A. Personal accounts B. Nominal accounts C. Impersonal accounts D. None of these
19	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement i s the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
20	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. error of principle C. compensation error D. error of commission