

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	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
2	The amount invested by the owner in the business to produce revenue is known as	A. Income B. Asset C. Capital D. Liability
3	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
4	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
5	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
6	All the time of endorsement of a bill the drawer credits:	A. The drawee account B. The endorser's personal account C. Bill receivable account D. Endorser's account
7	Cost of goods sold is equal to	A. sales - purchases B. purchases + closing stock - returns outwards C. Opening stock - closing stock + purchase + returns inwards D. Opening stock + purchases - returns outwards - closing stock
8	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
9	When a bill is transferred by the drawer to his creditor, for settlement of his debts, it is called	A. Retirement of Bill B. Endorsement of a Bill C. Discounting of a Bill D. Settlement of a Bill
10	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
11	Credit Balance of pass book must be equal to debit balance of	A. Cash Book B. Bank Ledger C. Clients other Account D. None of these
12	.The cash book is a	A. Subsidiary journal B. Ledger account C. Subsidiary journal and ledger D. Trial balance
13	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
14	If sales are Rs. 12000 Gross profit is 10% of sales and net profit is 5% of sales then the expenses will be	A. 1200 B. 600 C. 1800 D. 2400

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15	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 & amp; b
16	Errors of affect one account can be	A. Errors of principle B. Errors of posting C. Errors of omission D. None of these
17	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account
18	Bank account is a:	A. Personal account B. Real account C. Nominal account D. None of these
19	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
20	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties