Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Bad debts recovered from debtors should be credited to	A. Debtors a/c B. Bad debts a/c C. Bad debts recovered a/c D. Cash a/c
2	Retiring a bill under rebate means:	A. Making payment for the bill before the due date B. Making payment for the bill after the due date C. Dishonouring bill D. None of the above
3	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
4	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
5	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
6	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
7	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
8	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
9	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
10	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
11	In three column cash book, discount column is	A. Totaled B. Balanced C. Carry Forward D. Both a and b
12	Which of the following discloses the financial position of the business	A. Trading account B. Profit or loss account C. Profit or loss appropriation account D. Balance sheet
13	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure
14	Cash of sales is equal to	A. Sales - purchases B. Purchases - return + closing stock C. Opening stock + Purchases (Net) - Closing stock D. Sales + Opening stock -

		(Purchases + Closing stock)
15	The cash book is a book of	A. Compound entry B. Original entry C. Final entry D. Simple entry
16	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
17	A cash account always shows	A. Debit balance B. Credit balance C. Both debit and credit balance D. Nil balance
18	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
19	It is prepaid to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
20	A transaction is recorded on the same days as its takes place, so journal is also called:	A. A day book B. A history book C. An entry book D. Ledger book