Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
2	The book in which all cash transaction are primarily recorded is called	A. Pass book B. Cheque book C. Finance book D. Cash book
3	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income
4	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
5	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
6	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
7	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
8	The effect of drawing on accounting equation is	A. decrease in assets and decrease in liabilities B. increase in both assets & liabilities C. decrease in assets and increase in capital D. none of these
9	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
10	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
11	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
12	Personal account are related to:	A. Assets and liabilities B. Expenses, losses C. Customers, creditors etc. D. Incomes
13	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
14	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit

15	A cash account always shows	A. Debit balance B. Credit balance C. Both debit and credit balance D. Nil balance
16	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
17	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
18	A ______ is a large columnar sheet of paper	A. Worksheet B. Balance sheet C. Journal D. None of these
19	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
20	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these