

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & D. Bot
2	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
3	A is a large columnar sheet of paper	A. Worksheet B. Balance sheet C. Journal D. None of these
4	Book-keeping is mainly concerned with:	A. Recording of business transactions B. Recording classifying and summarizing the recorded data C. Interpreting the recorded data D. None of the above
5	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
6	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
7	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
8	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
9	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
10	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
11	The expenses which are incurred for the generation of revenues from the sales of goods are called	A. Non-operating expenses B. Selling expenses C. Operation expenses D. Administrative expenses
12	Usually every entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
13	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
14	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
15	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit

		D. A liability
16	Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
17	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
18	Which column is prepared in single column cash book?	A. Bank Column B. Cash Column C. Discount Column D. All of the Above
19	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
20	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets