

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above
2	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
3	The book which is used to record all goods returned to us by our customers is called	A. Returns outwards book B. Returns inwards book C. Sales book D. Cash book
4	A statement which is prepared to ascertain the net income or net loss for a specific accounting period is called	A. Position statement B. Statement of condition C. Financial statement D. Bank reconciliation statement
5	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
6	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
7	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
8	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
9	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
10	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
11	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
12	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
13	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
14	Our cheque to Babar & Bros, returned dishonoured should be credited to	A. Cheque Account B. Cash Account C. Bank Account D. Babar & Bros A/c
15	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above

16	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
17	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
18	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & credited D. None of these
19	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)
20	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