

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500	A. suspense A/c B. sales A/c C. cash A/c D. none of above
2	A statement which is prepared to know the financial position of a business on a particular date, is called	A. Balance sheet B. Statement of condition C. Position statement D. All of above
3	Stock in trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
4	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)
5	Goodwill, patent, copyright and trade mark are	A. Wasting assets B. Intangible assets C. Fictitious assets D. Liquid assets
6	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
7	.If the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
8	Received a cheque from Bilal Rs. 1900 in full settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & b
9	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
10	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
11	The profit which is earned during the ordinary course of business is regarded as:	A. Capital profit B. Revenue profit C. Revenue loss D. Long term profit
12	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
13	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
14	Book used to record petty expenses and receipts	A. Single Column Cash Book B. Petty Cash Book C. Double Column Cash Book D. Treble Column Cash Book

A. Cheque Account

15	Our cheque to Babar & Bros, returned dishonoured should be credited to	B. Cash Account C. Bank Account D. Babar & Bros A/c
16	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
17	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
18	Expenses related to sale of goods are shown in	A. Trading account B. Profit or loss account C. Balance sheet D. Sales account
19	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
20	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards