

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Cost incurred to generate revenue is called	A. Revenue B. Cost C. Expense D. Liability
2	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
3	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
4	The cash book is a book of	A. Compound entry B. Original entry C. Final entry D. Simple entry
5	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
6	When the goods are returned to the suppliers, an intimation is sent to them is called	A. Currency note B. Invoice C. Debit note D. Credit note
7	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
8	Both cash purchases as well as credit purchases are recorded in	A. Cash book B. Purchase book C. Purchases account D. None of these
9	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
10	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
11	The accounting system in which accounting entries are made on the basis of amount having become due for payment or receipt, is called	A. Cash system B. Accrual or mercantile system C. Outstanding system D. None of these
12	Which one of the following is used to simplify work, to be done at the end of period	A. Balance sheet B. Income sheet C. Bank statement D. Work sheet
13	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. Both a & c
14	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
15	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet

16	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
17	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
18	Errors of affect one account can be	A. Errors of principle B. Errors of posting C. Errors of omission D. None of these
19	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & Bros account
20	Stock is trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset