

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
2	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
3	Goodwill, patent, copyright and trade mark are	A. Wasting assets B. Intangible assets C. Fictitious assets D. Liquid assets
4	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
5	The Principle book of accounts is	A. Journal B. Ledger C. Trial Balance D. Balance Sheet
6	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
7	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
8	When boan statement shown a debit total balance it means:	A. Overdraft as per cash book B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Overdraft as per bank statement
9	A Ledger is a book in which	A. Only Personal & Cash Accounts are Opened B. Only Real Accounts are Opened C. Only Nominal Accounts are Opened D. All Real, Nominal and Personal Accounts are Opened
10	When money is paid to a creditor or supplier a receipt is obtained from him which is called	A. Cash voucher B. Cash payment C. Receipt voucher D. Payment voucher
11	All revenue expenditure are taken to	A. Trading a/c B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet
12	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
13	Profit or loss appropriation account is not prepared in the case of	A. Partnership B. Joint stock company C. Sole tradership D. Partnership at will
14	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Long term receipts

		D. Capital profit
15	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
16	A table lost by fire should be debited to	A. Table a/c B. Furniture a/c C. Loss by Fire a/c D. Purchases a/c
17	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
18	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)
19	Unfavourable balance means	A. Credit Balance in the Pass Book B. Credit Balance in the Cash Book C. Debit Balance in Bank Statement D. Both b and c
20	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting