

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The rules of the debiting the receiving and crediting the giver is applicable to:	<p>A. Persona account</p> <p>B. Real account</p> <p>C. Nominal account</p> <p>D. Expense account</p>
2	Net sales are equal to sales minus	<p>A. Returns inwards</p> <p>B. Returns outwards</p> <p>C. Cost of goods sold</p> <p>D. carriage on sales</p>
3	Transaction, having short-term effects are known as	<p>A. Revenue transaction</p> <p>B. Capital transaction</p> <p>C. Non-monetary transaction</p> <p>D. Paper transaction</p>
4	Cost of goods sold is equal to	<p>A. sales - purchases</p> <p>B. purchases + closing stock - returns outwards</p> <p>C. Opening stock - closing stock + purchase + returns inwards</p> <p>D. Opening stock + purchases - returns outwards - closing stock</p>
5	Transportation cost paid for the purchases of Machinery must be debited to	<p>A. Transportation cost account</p> <p>B. Purchases account</p> <p>C. Machinery account</p> <p>D. Cash account</p>
6	All those expenses which are incurred to convert raw-materials into finished goods are called:	<p>A. Direct expenses</p> <p>B. Indirect expenses</p> <p>C. Administrative expenses</p> <p>D. Sales expenses</p>
7	Preliminary expenses paid in the formation of a company is a	<p>A. Capital expenditure</p> <p>B. Deferred expenditure</p> <p>C. Revenue expenditure</p> <p>D. Capital loss</p>
8	Financial statement is prepared from the amount given in	<p>A. Trail balance columns</p> <p>B. Adjustments columns</p> <p>C. Cash columns</p> <p>D. Adjusted trail balance columns</p>
9	The system of accounting in which accounting entries are made only when cash received or paid is known as	<p>A. Cash system</p> <p>B. Accrual system</p> <p>C. Mercantile system</p> <p>D. Single system</p>
10	Contain all residual account	<p>A. Debtors Ledger</p> <p>B. Creditors Ledger</p> <p>C. General Ledger</p> <p>D. Cash Ledger</p>
11	The balance of the 'Caha Column' in cash book is always:	<p>A. Debit balance</p> <p>B. Credit balance</p> <p>C. Both debit and credit balance</p> <p>D. None of the above</p>
12	Net purchases are equal to	<p>A. Sales - returns outwards</p> <p>B. Purchases + returns inwards</p> <p>C. Purchases - returns outwards</p> <p>D. Purchases + returns outwards</p>
13	Octori duty paid on machinery, is an example of	<p>A. Revenue expenditure</p> <p>B. Recurring expenditure</p> <p>C. Capital expenditure</p> <p>D. Both a &amp; b</p>
14	When a drawer discounts a bill, he debits	<p>A. Bank Account</p> <p>B. Interest Account</p> <p>C. Drawee Account</p> <p>D. Bill Receivable Account</p>
		A. capital expenditure

15	Any expenditure incurred to increase the earning capacity of a business	B. capital loss C. revenue loss D. revenue expenditure
16	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
17	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit
18	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
19	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
20	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