

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
2	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
3	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
4	_____ must be prepaid for testing ledger accounts, adjusting entries and financial statement	A. Work sheet B. Balance sheet C. Bank statement D. Trail balance
5	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
6	The effect of drawing on accounting equation is	A. decrease in assets and decrease in liabilities B. increase in both assets & liabilities C. decrease in assets and increase in capital D. none of these
7	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
8	The balance of the trading account is the transferred to:	A. Profit and loss account B. Balance sheet C. Work sheet D. Position statement
9	The act result of the business activities is shown by:	A. Profit and loss account B. Profit & loss appropriation account C. Trading account D. Balance sheet
10	.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
11	Record of business transaction in the journal is called	A. Detail B. Summary C. Narration D. Entry
12	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
13	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
		A. Single column cash book

14	It is used to record cash, bank and discount transactions on debit and credit side	B. Petty cash book C. Double column cash book D. Treble column cash book
15	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
16	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
17	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
18	Sales returns book periodical total is posted to	A. Debit of returns inwards account B. Credit of returns inwards account C. Debit of returns outwards account D. Credit of returns outwards account
19	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
20	Pass book is prepared by	A. Debtor B. Creditor C. Banker D. Customer