

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	When two or more than two error occurred on the opposite side of the account and cancelled the affect of each are called	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principle
2	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
3	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
4	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
5	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)
6	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
7	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
8	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
9	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
10	Journal means	A. Weekly B. Monthly C. Yearly D. Daily
11	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
12	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
13	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
14	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure
15	A sheet which minimizes the chances of errors to the maximum possible extent is called	A. Balance sheet B. Work sheet C. Paper sheet

		D. Income statement
16	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
17	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
18	Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to:	A. Assets account B. Expenses account C. Cash account D. Purchases account
19	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only
20	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet