

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	It is used to record only cash receipts and payments	A. Single column cash book B. Double column cash book C. Treble column cash book D. Sales book
2	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
3	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
4	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
5	Allowance for discount on account receivable is calculated on the amount of account receivable	A. Before deducting the allowance for doubtful debts B. Left after deducting the allowance for doubtful debts C. Before deducting the actual bad debts D. None of these
6	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
7	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
8	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
9	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
10	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
11	A double column cash book is used to record	A. Cash transactions only B. Cash and bank transaction C. Cash, bank and discount transaction D. None of these
12	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
13	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
14	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense

15	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
16	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
17	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
18	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
19	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
20	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account