

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
2	Work sheet is also used as a source to prepare _____	A. Financial statement B. Income statement C. Position statement D. Bank reconciliation statement
3	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher D. Cash memo
4	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
5	A schedule of balances of all accounts is called	A. Journal B. Ledger C. Balance Sheet D. Trial Balance
6	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
7	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dues Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these
8	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error
9	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
10	The _____ is not a part of the permanent accounting record	A. worksheet B. Journal C. Ledger D. Trail balance
11	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
12	Cost of goods sold is equal to	A. sales - purchases B. purchases + closing stock - returns outwards C. Opening stock - closing stock + purchase + returns inwards D. Opening stock + purchases - returns outwards - closing stock
13	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. Capital expenditure C. Current expenditure D. None of these
14	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
		A. Trading and profit or loss account

15	Which account is a summary of direct expenses and direct revenues	B. Profit or loss account C. Balance sheet D. Trading account
16	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
17	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
18	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
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	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure