

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	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
2	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
3	Bank Reconciliation represents	A. A Journal B. A Ledger C. A Statement D. both a and c
4	A statement which is prepared to know the financial position of a business on a particular date, is called	A. Balance sheet B. Statement of condition C. Position statement D. All of above
5	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dued Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these
6	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
7	The document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called:	A. Receipt voucher B. Payment voucher C. Cash voucher D. Cash memo
8	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
9	A document given by the seller to the buyer for credit sale of goods or assets is called	A. Cash memo B. Invoice C. Voucher D. None of these
10	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
11	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
12	_____ must be prepaid for testing ledger accounts, adjusting entries and financial statement	A. Work sheet B. Balance sheet C. Bank statement D. Trail balance
13	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b D. None of these
14	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct

		expenses + sales D. purchases - sales
15	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
16	The excess of gross profit on sale over total operating expenses is called:	A. Cost of goods sold B. Gross profit C. Net profit D. None-operating income
17	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards
18	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
19	Cheques issued to a creditor but not presented for payment are called	A. Un Credited Cheques B. Uncollected Cheques C. Un Presented Cheques D. Dishonoured Cheques
20	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses