

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
2	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
3	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
4	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
5	.lf 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
6	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
7	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
8	The amount of assets, liabilities, capital and drawings are extended form adjusted trail balance to the	A. Balance sheet columns B. Income statement columns C. Cash columns D. Bank columns
9	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
10	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
11	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
12	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure
13	Retiring a bill under rebate means:	A. Making payment for the bill before the due date B. Making payment for the bill after the due date C. Dishonouring bill D. None of the above
14	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar

15	Depreciation of fixed assets used in the business is an example of	<ul><li>A. capital expenditure</li><li>B. Revenue expenditure</li><li>C. Deferred expenditure</li><li>D. None of these</li></ul>
16	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
17	Unfavourable balance means	A. Credit Balance in the Pass Book B. Credit Balance in the Cash Bool C. Debit Balance in Bank Statemer D. Both b and c
18	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
19	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
20	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above