

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
2	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
3	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
4	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
5	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
6	One way of avoiding errors in the permanent accounting records is to use a form which is called	A. Bank statement B. Trail balance C. Balance sheet D. Work sheet
7	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account
8	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
9	Which one of the following is appeared in the balance sheet	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. Both b & c
10	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
11	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
12	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
13	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
14	Real accounts are related to:	A. Assets B. Expenses, &nbsp;losses and incomes C. Customers, &nbsp;creditors D. Incomes
15	_____ must be prepaid for testing ledger accounts, adjusting entries and financial	A. Work sheet B. Balance sheet

	statement	C. Bank statement D. Trail balance
16	Book-keeping is mainly concerned with:	A. Recording of business transactions B. Recording classifying and summarizing the recorded data C. Interpreting the recorded data D. None of the above
17	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets
18	_____ is prepared to avoid errors in the permanent records of accounting	A. Work sheet B. Ledger C. Bank statement D. Balance sheet
19	Trading account is the account which is prepared to determine the:	A. Only gross profit of the business B. Only gross loss of the business C. Gross profit or the gross loss of the business D. None of the above
20	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