Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Assets which have no physical existence are called	A. Tangible assets B. Fictitious assets C. Liquid assets D. Intangible assets
2	Sales are equal to	A. Cost of goods sold + Profit B. Gross profit - cost of goods sold C. Cost of goods sold - gross profit D. None of these
3	The profit which is earned during the ordinary course of business is regarded as:	A. Capital profit B. Revenue profit C. Revenue loss D. Long term profit
4	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
5	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
6	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
7	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
8	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
9	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
10	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
11	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
12	Cost incurred to generate revenue is called	A. Revenue B. Cost C. Expense D. Liability
13	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
14	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
		A. Error of omission

15	Errors is casting of subsidiary books are called as	B. Compensating error C. Error of posting D. Clerical errors
16	A Ledger is a book in which	A. Only Personal & Cash Accounts are Opened B. Only Real Accounts are Opened C. Only Nominal Accounts are Opened D. All Real, Nominal and Personal Accounts are Opened
17	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
18	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
19	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
20	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance