

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Worksheet provides complete information for preparing	A. Income statement B. Position statement C. Financial statement D. Bank reconciliation statement
2	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	A. Error of principle B. Error of omission C. Error of casting D. Error of transposition
3	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
4	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & Ali account D. purchases & sales account
5	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense
6	All the transactions related to credit sales are recorded in	A. Sales returns book B. Sales book C. Cash book D. Credit note book
7	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
8	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
9	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only
10	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
11	If the total of the credit side of an account exceeds that of debit side of the same account, it is called	A. Credit Balance B. Debit Balance C. Balancing D. Zero Balance
12	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
13	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
14	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
		A. Payment of Bill Before Due Date

15	Retiring a bill under rebate means	B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill
16	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these
17	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
18	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
19	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
20	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent