

Accounting Test Easy Mode

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Sr	Questions	Answers Choice
1	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
2	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
3	Received a cheque from Bilal Rs. 1900 in ful settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & D. Bot
4	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
5	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
6	A is a large columnar sheet of paper	A. Worksheet B. Balance sheet C. Journal D. None of these
7	The most exhaustive cash book is	A. Petty Cash Book B. Single Column Cash Book C. Double Column Cash Book D. Treble Column Cash Book
8	In case of a debt becoming bad, the amount should be credited to	A. Debtor's a/c B. Bad Debts a/c C. Sales a/c D. cash a/c
9	In adjusting the cash balance one of the following is not taken into account:	A. Mistakes in the cash book B. Mistake in the bank statement C. Interest and dividends credited in the bank statement D. None of the abvove
10	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
11	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
12	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
13	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
14	Expenses related to sale of goods are shown in	A. Trading account B. Profit or loss account C. Balance sheet D. Sales account
		A. Capital expenditure

15	An expenditure which is incurred again and again is a:	B. Future expenditure C. Deferred expenditure D. Revenue expenditure
16	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
17	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
18	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
19	Adjusted is used to prepare the income statement and balance sheet	A. Trail balance B. Ledger C. Balance sheet D. Bank statement
20	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these