

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Subsidiary books are called books of	A. Original entry B. Secondary entry C. Final entry D. Basic entry
2	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
3	Profit or loss appropriation account is not prepared in the case of	A. Partnership B. Joint stock company C. Sole tradership D. Partnership at will
4	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
5	is prepared to avoid errors in the permanent records of accounting	A. Work sheet B. Ledger C. Bank statement D. Balance sheet
6	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
7	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
8	In the preparation of worksheet the amounts in the trail balance are taken directly form the	A. Ledger B. Trail balance C. Balance sheet D. None of these
9	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a busniess
10	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
11	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
12	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
13	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
14	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these

15	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
16	simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
17	A book which is used to record small expenses is called	A. Expenses book B. Cash book C. Petty cash book D. Purchases book
18	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
19	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these
20	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account