

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets
2	How many categories of accounts are	A. two B. three C. four D. five
3	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
4	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
5	The revenue that has not become due, but received in cash in current year is known as	A. Revenue received in advance B. Accrued revenue C. Unearned revenue D. Both a & D. Both
6	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
7	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
8	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
9	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
10	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
11	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales
12	Sales returns book periodical total is posted to	A. Debit of returns inwards account B. Credit of returns inwards account C. Debit of returns outwards account D. Credit of returns outwards account
13	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
14	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
15	The excess of gross profit on sale over total operating expenses is called:	A. Cost of goods sold B. Gross profit C. Net profit D. None-operating income

6	Ahmed's cheque endorse to Akbar should be debited to	A. Cash account B. Cheque account C. Akbar's account D. Ahmed account
7	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
8	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
9	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
0	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