

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	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
2	The book in which all cash transactions are primarily recorded is called	A. Cheque Book B. Pass Book C. Cash Book D. Finance Book
3	An expenditure, which is completely exhausted with in the current accounting period is known as	A. Deferred expenditure B. Revenue expenditure C. Future expenditure D. Non-recurring expenditure
4	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
5	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Row form
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	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
8	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
9	If a transaction has been completely omitted from the Journal it will be considered	A. Error of commission B. Error of principle C. Error of omission D. None of these
10	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
11	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
12	Cost of goods sold is equal to	A. sales - purchases B. purchases + closing stock - returns outwards C. Opening stock - closing stock + purchase + returns inwards D. Opening stock + purchases - returns outwards - closing stock
13	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
14	The cash book is a book of	A. Compound entry B. Original entry C. Final entry D. Simple entry
		A. Simple Entry

15	An Entry which is recorded on the both sides of cash book is called	B. Compound Entry C. Combined Entry D. Contra Entry
16	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
17	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
18	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
19	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
20	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors