

Accounting Test Easy Mode

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Sr	Questions	Answers Choice
1	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
2	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
3	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
4	A revenue expenditure, the benefit of which is not confined to one accounting year is called	A. Non-current expenditure B. Revenue expenditure C. Future expenditure D. Deferred expenditure
5	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
6	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
7	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
8	The periodical total of purchases book is posted to the	A. Debit of purchases account B. Credit of purchases account C. Credit of cash account D. Debit of sales account
9	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
10	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & D. Service account
11	Rent account' is a kind of:	A. Real account B. Personal account C. Nominal account D. <div>Capital account</div>
12	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
13	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
14	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
15	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors

		D. Outstanding expense
16	The excess of gross profit on sale over total operating expenses is called:	A. Cost of goods soldB. Gross profitC. Net profitD. None-operating income
17	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & D. having no effect on profit
18	must be prepaid for testing ledger accounts, adjusting entries and financial statement	A. Work sheet B. Balance sheet C. Bank statement D. Trail balance
19	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher D. Cash memo
20	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis