

Accounting Test Easy Mode

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Sr	Questions	Answers Choice
1	A statement which i prepared to ascertain the net income or net loss for a specific accounting period is called	A. Position statement B. Statement of condition C. Financial statement D. Bank reconciliation statement
2	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
3	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
4	Expenditure is revenue expenditure because	A. It is intended to benefit the current period B. The amount involved is small C. It is deducted from the gross sale proceeds D. None of these
5	A bill which is both drawn and payable within the geographical boundaries of a country	A. Foreign Bill B. Local Bill C. Municipal Bill D. Inland Bill
6	کسی شے کے مسلسل اور لگاتار استعمال سے مختتم افادہ میں کمی آتی جاتی ہے بشرطیکہ دیگر امور بدستور ہیں اس قانون کو کہتے ہیں	قاتون تقلیل افاده مختتم .B قاتون مساوی افاده مختتم .C قاتون طلب .D قاتون تقلیل حاصل .D
7	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
8	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
9	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
10	The expenses which are incurred for the generation of revenues from the sales of goods are called	A. Non-operating expenses B. Selling expenses C. Operation expenses D. Administrative expenses
11	When balance of suspense account has debit balance it will be shown in balance sheet on	A. Liability side B. Capital side C. Asset side D. Credit side
12	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
13	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
14	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts

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15	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
16	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
17	When a bill is transferred by the drawer to his creditor, for settlement of his debts, it is called	A. Retirement of Bill B. Endorsement of a Bill C. Discounting of a Bill D. Settlement of a Bill
18	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
19	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & D. Both
20	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