

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
2	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
3	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
4	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
5	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
6	Credit purchases are recorded in	A. Purchases book B. Creditors book C. Cash book D. Purchases returns book
7	A table lost by fire should be debited to	A. Table a/c B. Furniture a/c C. Loss by Fire a/c D. Purchases a/c
8	It is prepared to determine the net profit or net loss	A. Trading account B. Profit or loss account C. Cash book D. Balance sheet
9	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
10	Usually every _____ entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
11	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
12	Which book is used to record all credit purchases?	A. Purchases book B. Purchases book return C. Cash book D. Debit note book
13	The system of recording transaction based on dual concept is called	A. Double account system B. Double entry system C. Single entry system D. Management system
14	A statement which is prepared to know the financial position of a business on a particular date, is called	A. Balance sheet B. Statement of condition C. Position statement D. All of above
15	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b

		D. None of these
16	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
17	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
18	In the preparation of the worksheet the amounts on the trail balance columns are taken directly from	A. Journal B. Ledger C. Trail balance D. Transaction
19	In three column cash book, discount column is	A. Totaled B. Balanced C. Carry Forward D. Both a and b
20	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses