

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
2	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
3	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
4	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these
5	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
6	It is prepaid to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
7	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
8	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & D.
9	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
10	A is a large columnar sheet of paper	A. Worksheet B. Balance sheet C. Journal D. None of these
11	Allowance for doubtful debts normally has a	A. Debit balance B. Credit balance C. Both debit & D. None of these
12	Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
13	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
14	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
15	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c

		D. None of these
16	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
17	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
18	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
19	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
20	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these