

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The balance of the 'Caha Column' in cash book is always:	A. Debit balance B. Credit balance C. Both debit and credit balance D. None of the above
2	The book which is used to record all goods returned to us by our customers is called	A. Returns outwards book B. Returns inwards book C. Sales book D. Cash book
3	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
4	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
5	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
6	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
7	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
8	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
9	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
10	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
11	The transaction for which non separate book is maintained are recorded in:	A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book
12	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
13	Income statement is prepared to ascertain the net result of the business concern under	A. British accounting system B. American accounting system C. Cash system of accounting D. None of these
14	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
15	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note

16	Carriage account is a/an	A. asset account B. revenue account C. expenditure A/c D. withdrawal account
17	The amount by which the revenue for a particular period of time exceed from expenses incurred to generate them is called	A. Gross income B. Net income C. Revenue D. Expenses
18	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
19	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
20	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. error of principle C. compensation error D. error of commission