# Accounting Test Easy Mode

| Sr | Questions | Answers Choice |
|---|---|---|
| 1 | Error of carry forward will affect | A. Personal accounts<br>B. Nominal accounts<br>C. Impersonal accounts<br>D. None of these |
| 2 | The creditor of the business are called: | A. Assets<br>B. Liabilities<br>C. Capital <br>D. Income |
| 3 | Raw material destroyed in fire represents | A. capital loss<br>B. revenue loss<br>C. normal loss<br>D. both b, c |
| 4 | The concept of conservation will have the effect of: | A. Understatement of assets<br>B. Under statement of liabilities<br>C. Overstatement of assets<br>D. None of the above |
| 5 | A book which is used to record small expenses is called | A. Expenses book<br>B. Cash book<br>C. Petty cash book<br>D. Purchases book |
| 6 | Deprecation is | A. A Liability<br>B. A loss<br>C. An expense<br>D. Both b & c |
| 7 | Transportation cost paid for the purchases of Machinery must be debited to | A. Transportation cost account<br>B. Purchases account<br>C. Machinery account<br>D. Cash account |
| 8 | Petty cash book is a branch of | A. Pass Book<br>B. Cash Book<br>C. Journal<br>D. Ledger |
| 9 | The time after which the bill is to be paid | A. Grace Days<br>B. Tenor<br>C. Due Date<br>D. Extra Days |
| 10 | Interest due but not received is an | A. Outstanding expense<br>B. Accrued income<br>C. Prepaid expense<br>D. Unearned income |
| 11 | ______ simplifies work to be done at the end of the period | A. Work sheet<br>B. Ledger<br>C. Trail balance<br>D. Balance sheet |
| 12 | In double entry system of bookkeeping every business transaction affects: | A. Debit or credit side of the same account<br>B. Two accounts<br>C. The same side of the same account<br>D. None of the above |
| 13 | Sales returns book periodical total is posted to | A. Debit of returns inwards account<br>B. Credit of returns inwards account<br>C. Debit of returns outwards account<br>D. Credit of returns outwards account |
| 14 | A receipt is revenue in nature, if it relates to: | A. Balance sheet<br>B. The receipt of accounting year<br>C. Small amount<br>D. Routine activity of the business |
| 15 | Cash account is a: | A. Personal account<br>B. Real account<br>C. Nominal account |

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| | | D. Both real and personal account |
| 16 | The periodical total of purchases returns book is posted to | A. Debit of returns outwards account<br>B. Credit of returns inwards account<br>C. Debit of returns inwards accounts<br>D. Credit of returns outwards account |
| 17 | Bad debts are | A. Deferred expenditure<br>B. Revenue expenditure<br>C. Capital expenditure<br>D. None of these |
| 18 | When a drawee honours his acceptance, he will credit | A. Capital Account<br>B. Drawer Account<br>C. Bill Payable Account<br>D. Cash Account |
| 19 | The balance of petty cash book is a/an | A. Asset<br>B. Liability<br>C. Expense<br>D. Income |
| 20 | A bill of exchange is a method of payment on | A. Cash Basis<br>B. Credit Basis<br>C. Reserve Basis<br>D. Accommodation Basis |