

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	When the goods are returned to the suppliers, an intimation is sent to them is called	A. Currency note B. Invoice C. Debit note D. Credit note
2	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
3	Purchased goods on credit and for cash will affect	A. cash & poods B. cash & poods C. cash creditors & powner's equity D. cash goods and creditors
4	The creditor of the business are called:	A. Assets B. Liabilities C. Capital  D. Income
5	Nominal account are related to:	A. Assets and liabilities     B. Expenses, losses and incomes     C. Customers, creditors etc     D. Capital account
6	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
7	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
8	When ban column of a cash book shows a debit balance it means:	A. Overdraft as per bank B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Favourable balance as per pass book
9	Contra Refers to	A. Same Side B. Parallel Side C. Opposite Side D. None of these
10	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
11	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
12	When a bill is discharged the acceptor debits:	A. Creditors account     B. Cash account     C. Bill payable account     D. Bill receivable account
13	Errors which affect one account can be	A. errors of principle  B. errors of posting C. errors of omission D. none of these
14	In journalizing the page numbers of the ledgers are written in:	A. The first column of journal B. The second column of journal C. The third column of journal D. The fourth column of journal

15	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
16	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & Bros account
17	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
18	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
19	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
20	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager