

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
2	If a transaction has been completely omitted from the Journal it will be considered	A. Error of commission B. Error of principle C. Error of omission D. None of these
3	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
4	Contain all residual account	A. Debtors Ledger B. Creditors Ledger C. General Ledger D. Cash Ledger
5	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b D. None of these
6	The revenue that has not become due, but received in cash in current year is known as	A. Revenue received in advance B. Accrued revenue C. Unearned revenue D. Both a & b
7	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
8	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
9	Errors, which do not affect on profit calculation, will have an effect only on	A. Trail balance B. Balance sheet C. Profit or loss account D. Trading account
10	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
11	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
12	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
13	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
14	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
15	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards

		D. Purchases + returns outwards
16	The favorable balance of cash book bank column is	A. Credit balance B. Debit balance C. Both debit and credit balance D. None of these
17	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
18	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
19	The balance of the trading account is the transferred to:	A. Profit and loss account B. Balance sheet C. Work sheet D. Position statement
20	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these