

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
2	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
3	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
4	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
5	Which one of the following is used to simplify work, to be done at the end of period	A. Balance sheet B. Income sheet C. Bank statement D. Work sheet
6	Discount deducted from the catalogue or list price is called:	A. Trade discount B. Cash discount C. Catalogue discount D. Credit discount
7	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
8	In the preparation of worksheet the amounts in the trail balance are taken directly from the _____	A. Ledger B. Trail balance C. Balance sheet D. None of these
9	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
10	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
11	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
12	An expenditure, which is temporarily increase the profit making capacity of the business is called	A. Deferred expenditure B. Capital expenditure C. Revenue expenditure D. Non-recurring expenditure
13	Work sheet is also used as a source to prepare _____	A. Financial statement B. Income statement C. Position statement D. Bank reconciliation statement
14	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
15	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

		D. Cost or market price whichever is higher
16	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
17	How many columns are drawn on one side of three column cash book ?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns
18	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
19	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
20	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c