

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
2	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dues Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these
3	An Entry which is recorded on the both sides of cash book is called	A. Simple Entry B. Compound Entry C. Combined Entry D. Contra Entry
4	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
5	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
6	The expenses which are incurred for the generation of revenues from the sales of goods are called	A. Non-operating expenses B. Selling expenses C. Operation expenses D. Administrative expenses
7	Sales returns book periodical total is posted to	A. Debit of returns inwards account B. Credit of returns inwards account C. Debit of returns outwards account D. Credit of returns outwards account
8	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
9	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
10	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit
11	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
12	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
13	The amount invested by the owner in the business to produce revenue is known as	A. Income B. Asset C. Capital D. Liability
14	A statement which is prepared to know the financial position of a business on a particular date, is called	A. Balance sheet B. Statement of condition C. Position statement D. All of above
15	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book

only

16	If any expense omitted to be recorded it will	<p>A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit</p>
17	Gross profit equals to	<p>A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold</p>
18	The time after which the bill is to be paid	<p>A. Grace Days B. Tenor C. Due Date D. Extra Days</p>
19	It is used to record cash, bank and discount transactions on debit and credit side	<p>A. Single column cash book B. Petty cash book C. Double column cash book D. Treble column cash book</p>
20	All the direct expenses are charged to:	<p>A. Balance sheet B. Profit and loss account C. Trading account D. None of these</p>