

## Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	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
2	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
3	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
4	_____ must be prepaid for testing ledger accounts, adjusting entries and financial statement	A. Work sheet B. Balance sheet C. Bank statement D. Trail balance
5	The _____ is not a part of the permanent accounting record	A. worksheet B. Journal C. Ledger D. Trail balance
6	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
7	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards
8	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
9	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
10	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
11	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
12	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
13	The book in which all cash transaction are primarily recorded is called	A. Pass book B. Cheque book C. Finance book D. Cash book
14	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
15	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account

16	Worksheet provides complete information for preparing	A. Income statement B. Position statement C. Financial statement D. Bank reconciliation statement
17	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
18	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
19	When two or more than two error occurred on the opposite side of the account and cancelled the affect of each are called	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principle
20	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities