

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
2	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
3	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
4	Bank account is a:	A. Personal account B. Real account C. Nominal account D. None of these
5	Book-keeping is mainly concerned with:	A. Recording of business transactions B. Recording classifying and summarizing the recorded data C. Interpreting the recorded data D. None of the above
6	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
7	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
8	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
9	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
10	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
11	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
12	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
13	Profit or loss appropriation account is not prepared in the case of	A. Partnership B. Joint stock company C. Sole tradership D. Partnership at will
14	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
15	The rules of the debiting the receiving and crediting the giver is applicable to:	A. Persona account B. Real account C. Nominal account D. Expense account
16	A copy of the customer's account in the bank's ledger is called:	A. Deposit statement B. Balance statement C. Bank statement D. Customer
17	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
18	Debit Signifies	A. Increase in Asset Account B. Decrease in Liability Account C. Decrease in Capital Account D. All of the Above
19	The most exhaustive cash book is	A. Petty Cash Book B. Single Column Cash Book C. Double Column Cash Book D. Treble Column Cash Book
20	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance