

Accounting Test Easy Mode

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Sr	Questions	Answers Choice
1	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
2	In double entry system of bookkeeping every business transaction affects:	A. Debit or credit side of the same account B. Two accounts C. The same side of the same account D. None of the above
3	Bank Reconciliation represents	A. A Journal B. A Ledger C. A Statement D. both a and c
4	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
5	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
6	Net sales - cost of goods sold - operating expenses = ?	A. Net purchases B. Cost of goods sold available for sale C. Net operating income D. Gross Profit
7	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
8	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
9	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
10	Which account is a summary of direct expenses and direct revenues	A. Trading and profit or loss account B. Profit or loss account C. Balance sheet D. Trading account
11	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
12	The statement which contains the explanation of different in cash book and bank statement is known as:	A. Bank statement B. Cash statement C. Balance statement D. Bank reconciliation statement
13	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales
14	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
		A. Reduction

15	A gradual decrease in the value of fixed assets is called	B. RevaluationC. DeprecationD. None of these
16	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. Both a & D.
17	Subsidiary books are called books of	A. Original entry B. Secondary entry C. Final entry D. Basic entry
18	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
19	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a busniess
20	The book in which all cash transactions are primarily recorded is called	A. Cheque Book B. Pass Book C. Cash Book D. Finance Book