

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
2	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
3	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these
4	Trading account is the account which is prepared to determine the:	A. Only gross profit of the business B. Only gross loss of the business C. Gross profit or the gross loss of the business D. None of the above
5	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
6	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
7	Capital contributed by the partners is a:	A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt
8	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
9	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
10	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
11	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account
12	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
13	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
14	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
15	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure

		D. Capital loss
16	The effect of drawing on accounting equation is	<p>A. decrease in assets and decrease in liabilities</p> <p>B. increase in both assets & liabilities</p> <p>C. decrease in assets and increase in capital</p> <p>D. none of these</p>
17	The outflow of funds to meet the running expenses of a business	<p>A. Revenue loss</p> <p>B. Revenue expenditure</p> <p>C. capital expenditure</p> <p>D. capital loss</p>
18	When the goods are returned to the suppliers, an intimation is sent to them is called	<p>A. Currency note</p> <p>B. Invoice</p> <p>C. Debit note</p> <p>D. Credit note</p>
19	_____ must be prepaid for testing ledger accounts, adjusting entries and financial statement	<p>A. Work sheet</p> <p>B. Balance sheet</p> <p>C. Bank statement</p> <p>D. Trail balance</p>
20	In the preparation of worksheet the amounts in the trail balance are taken directly form the _____	<p>A. Ledger</p> <p>B. Trail balance</p> <p>C. Balance sheet</p> <p>D. None of these</p>