

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. Capital expenditure C. Current expenditure D. None of these
2	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
3	Cost of goods sold is equal to	A. sales - purchases B. purchases + closing stock - returns outwards C. Opening stock - closing stock + purchase + returns inwards D. Opening stock + purchases - returns outwards - closing stock
4	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
5	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
6	The book use to record all credit purchases is called:	A. Purchases book B. Purchase & return book C. Cash book D. Creditor book
7	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
8	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure
9	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
10	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
11	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
12	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
13	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
14	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
		A. Sohail's a/c

15	The Amount of salary paid to Sohail should be debited to	B. Cash Account C. Salaries a/c D. Both a & c
16	Credit Balance of pass book must be equal to debit balance of	A. Cash Book B. Bank Ledger C. Clients other Account D. None of these
17	Error of carry forward will affect	A. Personal accounts B. Nominal accounts C. Impersonal accounts D. None of these
18	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Registrar
19	Which of the following normally has a credit balance	A. Machinery a/c B. Purchases a/c C. Stock a/c D. Sales a/c
20	A revenue expenditure, the benefit of which is not confined to one accounting year is called	A. Non-current expenditure B. Revenue expenditure C. Future expenditure D. Deferred expenditure