

Accounting Test Easy Mode

C-r	Ouestiese	Anguaga Chair-
Sr	Questions	Answers Choice
1	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
2	If goods purchased from Rahim for Rs. 499, credited to Rehman's account for Rs. 499. this is an	A. Error of commission B. Error of principle C. Compensating error D. Error of principle
3	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
4	is prepared to avoid errors in the permanent records of accounting	A. Work sheet B. Ledger C. Bank statement D. Balance sheet
5	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note
6	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
7	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
8	All the transactions related to credit sales are recorded in	A. Sales returns book B. Sales book C. Cash book D. Credit note book
9	It is prepaid to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
10	When boan statement shown a debit total balance it means:	A. Overdraft as per cash book B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Overdraft as per bank statement
11	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
12	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales
13	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
14	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
		A. Custom duty

15	Which one of the following is a direct expense?	B. Carriage C. Wages D. All of above
16	Retiring a bill under rebate means:	A. Making payment for the bill before the due date B. Making payment for the bill after the due date C. Dishonouring bill D. None of the above
17	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
18	The excess of credit column over debit column in income statement is called	A. Net loss B. Net profit C. Cash balance D. Gross profit
19	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
20	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts