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Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	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
2	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
3	Contra Refers to	A. Same Side B. Parallel Side C. Opposite Side D. None of these
4	In case of a debt becoming bad, the amount should be credited to	A. Debtor's a/c B. Bad Debts a/c C. Sales a/c D. cash a/c
5	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts D. valuation accounts
6	Unfavorable balances mean	A. Credit balance in the pass book B. Credit balance in the cash book C. Debit balance in bank statement D. Both b & c
7	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
8	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
9	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
10	One way of avoiding errors in the permanent accounting records is to use a form which is called	A. Bank statement B. Trail balance C. Balance sheet D. Work sheet
11	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
12	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
13	If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be	A. 3250 B. 1250 C. 3750 D. 1750
14	Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
15	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income

16	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
17	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
18	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
19	A book which is used to record small expenses is called	A. Expenses book B. Cash book C. Petty cash book D. Purchases book
20	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet