

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
2	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
3	A cash account always shows	A. Debit balance B. Credit balance C. Both debit and credit balance D. Nil balance
4	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
5	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit
6	Pass book is prepared by	A. Debtor B. Creditor C. Banker D. Customer
7	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
8	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
9	The periodical total of purchases book is posted to the	A. Debit of purchases account B. Credit of purchases account C. Credit of cash account D. Debit of sales account
10	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure
11	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
12	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
13	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & D.
14	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
15	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 & D. Both b

16	Debts which are repayable in the course of less than one year bur more than one month are called	A. Quick liabilities B. Deferred liabilities C. Contingent liabilities D. Liquid liabilities
17	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these
18	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
19	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & D. Both
20	Received a cheque from Bilal Rs. 1900 in ful settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & D. Bot