

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
2	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
3	Discount deducted from the catalogue or list price is called:	A. Trade discount B. Cash discount C. Catalogue discount D. Credit discount
4	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
5	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
6	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
7	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
8	Stock in trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
9	When the goods are returned to the suppliers, an intimation is sent to them is called	A. Currency note B. Invoice C. Debit note D. Credit note
10	A bill from the point of view of a creditor is called a:	A. Bill payable B. Bill receivable C. Bill acceptable D. Bill rejectable
11	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
12	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a business
13	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
14	When a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c D. None of these

15	Payment of Rs. 50 to Raheel as wages for repairing machine should be debited to	A. Machinery a/c B. Repair a/c C. Wages a/c D. Raheel a/c
16	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
17	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
18	When a bill is transferred by the drawer to his creditor, for settlement of his debts, it is called	A. Retirement of Bill B. Endorsement of a Bill C. Discounting of a Bill D. Settlement of a Bill
19	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
20	Error of carry forward will affect	A. Personal accounts B. Nominal accounts C. Impersonal accounts D. None of these