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	The cash book is a book of	A. Compound entry B. Original entry C. Final entry D. Simple entry
3	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
4	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
5	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
6	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
7	It is prepared to determine the net profit or net loss	A. Trading account B. Profit or loss account C. Cash book D. Balance sheet
8	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these
9	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
10	All the transactions related to credit sales are recorded in	A. Sales returns book B. Sales book C. Cash book D. Credit note book
11	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above
12	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
13	Which one of the following is appeared in the balance sheet	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. Both b & c
14	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
15	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

16	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
17	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
18	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
19	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
20	Debit Signifies	A. Increase in Asset Account B. Decrease in Liability Account C. Decrease in Capital Account D. All of the Above