

Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	The amount invested by the owner in the business to produce revenue is known as	A. Income B. Asset C. Capital D. Liability
2	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
3	How many columns are drawn on one side of three column cash book?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns
4	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
5	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
6	Income statement is prepared to ascertain the net result of the business concern under	A. British accounting system B. American accounting system C. Cash system of accounting D. None of these
7	All the direct expenses are charged to:	A. Balance sheet B. Profit and loss account C. Trading account D. None of these
8	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
9	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & D. None of these
10	If any income omitted to be recorded it will	A. Overstate the profitB. Understate the profitC. Both a & D. having no effect on profit
11	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
12	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
13	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
14	Both cash purchases as well as credit purchases are recorded in	A. Cash book B. Purchase book C. Purchases account D. None of these

15	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
16	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
17	In the preparation of the worksheet the amounts on the trail balance columns are taken directly from	A. Journal B. Ledger C. Trail balance D. Transaction
18	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & D. Bot
19	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
20	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & Company