

## Accounting Test Easy Mode

| Sr   | Questions  | Answers Choice  |
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| OI . | Questions  |   |
| 1    | Which of the following normally has a credit balance   | A. Machinery a/c B. Purchases a/c C. Stock a/c D. Sales a/c   |
| 2    | The concession given by the supplier to the buyer on purchases of good is known as:                                  | A. Sales discount B. Trade discount C. Purchase discount D. Discount received   |
| 3    | Sales returns book periodical total is posted to   | A. Debit of returns inwards account B. Credit of returns inwards account C. Debit of returns outwards account D. Credit of returns outwards account |
| 4    | Net profit plus expenses is equal to   | A. purchases B. Cost of goods sold C. Capital D. Gross profit   |
| 5    | A statement which is used to reconcile the bank balance as per cash book with the balance as per pass book is called | A. Bank statement B. Income statement C. Bank reconciliation statement D. Financial statements  |
| 6    | Heavy expenditure on advertisement for making a new product is a   | A. Revenue expenditure     B. Deferred expenditure     C. Capital loss     D. Non-recurring expenditure   |
| 7    | Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500             | A. suspense A/c B. sales A/c C. cash A/c D. none of above   |
| 8    | 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  |
| 9    | The book in which all cash transaction are primarily recorded is called  | A. Pass book B. Cheque book C. Finance book D. Cash book  |
| 10   | From the business point of view, interest on drawings is   | A. An asset B. An expense C. A liability D. A revenue   |
| 11   | When is 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   |
| 12   | 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  |
| 13   | Income tax paid is a   | A. Business expense B. Revenue for business C. Liability of business D. Personal expense  |
| 14   | It is the price of goods sold or services provided by a business to its customers                                    | A. Asset B. Cost C. Capital D. Revenue  |
| 15   | Sales are equal to   | A. Cost of goods sold + Profit B. Gross profit - cost of goods sold C. Cost of goods sold - gross profit D. None of these                           |

| 16 | The debts, the recovery of which is uncertain are called                        | A. Unbelievable debts     B. unrealized debts     C. doubtful debts     D. both b and c                |
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| 17 | A receipt is revenue in nature, if it relates to:                               | A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business |
| 18 | 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  |
| 19 | 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  |
| 20 | The recording of transaction chronologically in the book of accounts is called: | A. Summarizing B. Classifying C. Recording D. None of above  |