

Accounting Test Easy Mode

| Sr | Questions | Answers Choice |
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| 1 | paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dues Rs. 10000 should be credited to | A. Cash account B. Bank account C. Discount received account D. All of these |
| 2 | Real accounts are related to: | A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes |
| 3 | An error completely omitted to be entered in the journal | A. partial error B. error of posting C. error of casting D. complete error |
| 4 | Bank reconciliation statement is prepared by | A. Banker B. Customer's accountant C. Auditors D. Manager |
| 5 | Receipts, which are non-recurring by nature, are called | A. revenue receipts B. current receipts C. capital receipts D. capital profit |
| 6 | The book which is used to record all goods returned to us by our customers is called | A. Returns outwards book B. Returns inwards book C. Sales book D. Cash book |
| 7 | Debit Signifies | A. Increase in Asset Account B. Decrease in Liability Account C. Decrease in Capital Account D. All of the Above |
| 8 | An expenditure, which is temporarily increase the profit making capacity of the business is called | A. Deferred expenditure B. Capital expenditure C. Revenue expenditure D. Non-recurring expenditure |
| 9 | Income tax paid is a | A. Business expense B. Revenue for business C. Liability of business D. Personal expense |
| 10 | 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 |
| 11 | Credit purchases are recorded in | A. Purchases book B. Creditors book C. Cash book D. Purchases returns book |
| 12 | Events which are related with money are called: | A. Monetary events B. Non - monetary events C. None-social events D. Political events |
| 13 | Net Sales represent | A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c |
| 14 | Interest due but not received is an | A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income |
| 15 | Income tax paid is a | A. Business Expense B. Business Revenue C. Business Liability D. Business Asset |

D. Personal Expense

16 When a bill is discharged the acceptor debits:

- A. Creditors account
- B. Cash account
- C. Bill payable account
- D. Bill receivable account

17 _____ must be prepaid for testing ledger accounts, adjusting entries and financial statement

- A. Work sheet
- B. Balance sheet
- C. Bank statement
- D. Trail balance

18 The revenue that has not become due, but received in cash in current year is known as

- A. Revenue received in advance
- B. Accrued revenue
- C. Unearned revenue
- D. Both a & c

19 The transactions, the effect of which is not exhausted with in the current accounting year are called

- A. Revenue transaction
- B. Capital transaction
- C. Current transaction
- D. Monetary transaction

20 The book which is used to record all goods returned by us to our supplier is called

- A. Returns inwards book
- B. Purchases book
- C. Return outwards book
- D. Sales book