

Accounting Test Easy Mode

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Sr	Questions	Answers Choice
1	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
2	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
3	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
4	The balance of the 'Caha Column' in cash book is always:	A. Debit balance B. Credit balance C. Both debit and credit balance D. None of the above
5	Cash account is a:	A. Personal account B. Real account C. Nominal account D. Both real and personal account
6	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
7	All the direct expenses are charged to:	A. Balance sheet B. Profit and loss account C. Trading account D. None of these
8	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
9	The inflow of assets in return for services performed or products delivered during a period is	A. Asset B. Revenue C. Non current asset D. None of these
10	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
11	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 busniess
12	The act result of the business activities is shown by:	A. Profit and loss account B. Profit and loss appropriation account C. Trading account D. Balance sheet
13	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
14	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & Debited

		D. None of these
15	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
16	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
17	simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
18	A sheet which minimizes the chances of errors to the maximum possible extent is called	A. Balance sheet B. Work sheet C. Paper sheet D. Income statement
19	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
20	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account