Accounting Test Easy Mode

Sr	Questions	Answers Choice
1	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
2	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
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	When saleable goods are bought in a business are called:	A. Sales B. Purchase C. Assets D. Goods
5	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
6	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
7	Real accounts are related to:	A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes
8	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
9	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
10	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
11	All the transactions recorded to credit sales are recorded in:	A. Sale return book B. Sales book C. Cash book D. Debtor's book
12	All expenses connected with the office and its conduct are called	A. Selling expenses B. Marketing expenses C. Service expenses D. Administrative expenses
13	The book use to record all credit purchases is called:	A. Purchases book B. Purchase return book C. Cash book D. Creditor book
14	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

15	An expenditure, which increases the utility or productive capacity of an asset is treated as	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. None of these
16	The balance of the trading account is the transferred to:	A. Profit and loss account B. Balance sheet C. Work sheet D. Position statement
17	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
18	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
19	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure
20	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