

1. Goodwill will be classified under which type of account?

A. Personal Account

B. Unreal Account

C. Nominal Account

D. Real Account

2. In book-keeping, in systematic recording of financial transactions, which is the first step?

- A. Journalizing transactions with debit and credit**
- B. Balancing of ledger accounts
- C. Preparation of Profit & Loss Account
- D. Preparation of Balance Sheet

3. The stages of accounting process involve preparation of Trial Balance, profit & Loss Account and _____.

- A. Spread Sheet
- B. Income Sheet
- C. Balance Sheet**
- D. Profitability Sheet

4. Returns of purchased goods are recorded in which book?
- A. Returns Inward Book
 - B. Returns indoor Book
 - C. Returns Outdoor Book**
 - D. Returns Outward Book3

5. Diwali advance given to an employee is...

E. Revenue Expenditure

F. Capital Expenditure

G. Deferred Revenue Expenditure

H. Not an Expenditure

6. The process of recording financial data upto Trial Balance is...

I. Book keeping

J. Classifying

K. Summarizing

L. Analyzing

7. _____ is considered a Ledger as well as Journal.

M. Cash Book

N. Sales Day Book

O. Return Inward Book

P. Bills Receivable

8. Which of the following accounting system of recording transactions is being practiced universally?

Q. Single Entry System

R. Double Entry System

S. Balance Sheet Method

T. Profit and Loss Account Method

9. Bank paid interest Rs.1000 to Company XYZ, as interest on bank deposit. In this case CASH Account will be _____ and INTEREST Account will be _____ in the books of Company XYZ.

U. Debited, Credited

V. Credited, Debited

W. Debited, No Effect

X. Credited, no Effect

10. Discount received is recorded on which side of a cash book?

Y. Receipts

Z. Payments

A. Income

B. Expense

11. Proposed dividend is shown in the Balance Sheet of a company under the head _____.

C. Provisions

D. Reserves and Surplus

E. Current Liabilities

F. Other Liabilities

12. Difference between variable cost per unit and selling price can be classified as_____ margin per unit.

G. Contribution

H. Gross

I. Net

J. Profit

13. Financial statement of a company does not include _____.

K. Cash Flow Statement

L. Balance Sheet

M. Due and Drawn Statement

N. Profit and Loss Account

14. Balance sheet of a company does not show_____.
- O. What the company owns and what the company owes.
 - P. Assets and liabilities of the company
 - Q. Financial health of the company
 - R. Income and expenditure of the company**

15. Fixed Assets are held by business for...

S. Converting into Cash

T. Generating Revenue

U. Resale

V. None of the Above

16. If wages are paid for construction of business premises _____ A/c is credited and _____ A/c. is debited.

- W. Wages, Cash
- X. Premises, Cash
- Y. Cash, Wages
- Z. Cash, Premises**

17. Debit the Receiver & Credit the Giver is _____ Account.

- A. **Personal**
- B. Real
- C. Nominal
- D. All of the above

18. Cash A/c is a _____.

E. Real

F. Nominal

G. Personal

H. None

19. Sales – Gross Profit = _____.

I. Cost of Goods Sold

J. Net Sales

K. Gross Sales

L. Liabilities

20. Return of goods by a customer should be debited to_____.

M. Customers account

N. Sales return account

O. Goods account

P. Purchase account

21. Bad debt amount should be credited to _____.

Q. Debtors account

R. Bad debts account

S. Sales account

T. Creditors account

22. Identify which is wrong rule.

U. Nominal account- debit all expenses & losses

V. Real account- credit what comes in

W. Nominal account- credit all incomes & gains

X. Personal account- debit the receiver

23. Rent paid to landlord should be credited to

A. Landlords account

B. Rent account

C. Cash account

D. Expense account

24. Cash discount allowed to a debtor should be credited to

E. Discount account

F. Customer's account

G. Sales account

H. Cash account

25. The system of recording based on dual aspect concept is called _____.

I. Double account system

J. Double entry system

K. Single entry system

L. All the above

26. Interest on drawings is _____.

M. Expenditure for the business

N. Cost for the business

O. Gain for the business

P. None of the above

27. Cash Purchases....

Q. Increases assets

R. Results in no change in the total assets

S. Decreases assets

T. Increases liability

28. Which of the following is not an example of real a/c
_____?

U. Machinery

V. Building

W. Cash

X. Creditor

29. Payment received from debtor _____.

Y. Decreases the total assets

Z. Increases the total assets

A. Results in no change in total assets

B. Increase the total liabilities

30. Insurance prepaid is shown as

C. Current assets

D. Current liabilities

E. Fixed asset

F. Fixed liability