

MGT101 Searching file

Manufacturing by Orange Monkey

1. Find out the missing value of an Accounting Equation with the help of given data:
Owner's equity Rs. 22,500 Total Liabilities Rs. 80, 385 Cash Rs. 1,000 Bank Rs. 2,000
Debtors Rs. 500

- a) Rs. 102,885 other assets
- b) Rs. 102,885 current liabilities
- c) Rs. 99,885 current liabilities
- d) **Rs. 99,385 other assets**

2. What is the next step to Journalizing in Accounting cycle?

- a) Recording
- b) **Posting**
- c) Balancing
- d) Analyzing

3. Which of the following is NOT a characteristic of Joint Stock Company?

- a) Separate Legal Entity
- b) Limited Liability of shareholders
- c) **Easy formation**
- d) Common Seal

4. Which one of the following is NOT a feature of sole proprietorship business.

- a) Easy Formation
- b) Easy Dissolution
- c) Unlimited Liability
- d) **Separate Legal Entity**

5. Which of the following is NOT considered a part of financial statements?

- a) General Journal
- b) Balance Sheet
- c) Profit and Loss account
- d) **None of the given options**

6. Outsider's claim against the assets of the business is called

- a) Capital

b) Liability



- c) Expense
- d) Income

7. An expenditure whose benefit is finished or enjoyed immediately is called:

- a) Expense
- b) Liability
- c) Cost
- d) Income

8. Increase in an expense is recorded on the:

- a) left or credit side of the account
- b) Right or debit side of the account
- c) Left or debit side of the account
- d) Right or credit side of the account

9. Which of the following is Not a part of General Ledger?

- a) Activity Book
- b) Purchase Return Book
- c) Purchase Book
- d) Sales Book

10. What will be debited, If Mr. "A" started business with Rs. 2, 00,000.

- a) Capital account
- b) Cash account
- c) Mr. A's account
- d) Business account

11. What will be debited, if Mohsin commenced business with cash?

- a) Cash account
- b) Capital account
- c) Drawings account
- d) Proprietor account

12. Cash book is a part of_____.

Voucher
General Journal

General Ledger

Trial Balance

13. When income is reduced or decreased, that amount is recorded on:

Right or debit side of the account

Left or debit side of the account

Left or credit side of the account

Right or credit side of the account

14. What will be debited, if business sold goods for Rs.10, 000 on credit?

Cash account

Sales account

Accounts receivable account

Purchases account

15. A company's merchandise, raw materials, and finished and unfinished products which have not yet been sold are known as:

Sales

Purchases

Inventory

Work in process

16. What is nature of Capital account?

Debit

Credit

Expenses

Loss

17. The basic accounting principle/concept according to which business record must be kept separate from the personal records of the owner is known as:

Going-concern concept

Separate entity principle

Realization principle

Objectivity principle

18. Which of the following is NOT correct?

- Decrease in Assets will be credit
- Decrease in Liabilities will be debit
- Decrease in Expenses will be credit
- Decrease in Revenue will be credit

19. Find out the missing value of an Accounting Equation with the help of given data:
Cash Rs. 22,500 Debtors Rs. 500 Total Assets Rs. 80,385 Accounts payable Rs. 1,000
Total liabilities Rs. 20,000

- a) Rs. 60,385 owner's equity
- b) Rs. 61,385 owner's equity
- c) Rs. 99,885 owner's equity
- d) Rs. 99,385 owner's equity

20. An event can be classified as non-monetary:

- a) Purchase on cash
- b) Placing purchase Order
- c) Lose Accident
- d) Selling on credit

21. Which voucher is used as proof that debtor MR. A has created his/her outstanding amount or balance?

- A) Cash Payment voucher
- b) Bank payment voucher
- c) Petty Cash voucher
- d) Cash receipt voucher

22. Which one the following is wrong?

- a) Nature of owner equity is credit
- b) Nature of assets is Debit
- c) Nature of expense is Debit
- d) Nature of income is Debit

23. In _____, ledger accounts produce balance continually throughout the according period like after each Cr/Dr Posting.

- a) Report style
- b) Running balance style
- c) T account style
- d) All of the given option

24. Post reference Colum of a journal entry is:

- a) None of these
- b) Event occurring after transaction takes place
- c) Nam recording the journal entry
- d) Page no of relevant ledger account

25. which of the following account is /are "credit" if sold goods on credit to ABC cooperation for Rs.8000 and for cash Rs.4000?

- a) Cash Account
- b) Debtor Account
- c) Both debtor and cash Account
- d) Sale Account

26. Which of the following represent the deadline between two persons which change the financial position of the business?

- a) Message
- b) Event
- c) Transaction
- d) Communication

27. Bank overdraft will fail under which of the following Classification of account?

- a) Revenue

b) Liabilities

c) Assets

d) Expenses

28. Commission paid will fall down under which of the following classification of accounts:

a) Revenue

b) Expenses

c) Assets

d) Liabilities

29. All of the following contra accounts except:

A) Drawing

b) Purchase

c) Sale return

d) Provision for doubtful debt

30. Credit note is issued by the seller when _____ are returned

a) Credit sale

b) Credit purchase

c) Cash purchase

d) Debit sale

31. The Normal Balance of capital account is similar to:

a) Expense Account

b) Income Account

c) Asset Account

d) Drawing Account

32. Outcome claim against the assets of the business is also consider as _____ for entity?

- a) Source
- b) Income
- c) Expense
- d) Liabilities

33. What is nature of Capital account?

- a. Debit
- b. Credit
- c. Expenses
- d. Loss

34. Increase in liabilities can cause increase in?

Select the correct option:

- a. Equity
- b. Expenses
- c. Purchase
- d. Profit

35. Good purchased on cash decrease?

- a. Expenses
- b. Purchase
- c. Profit
- d. Cash

36. Payable amount of the business represent?

- a. Loan given
- b. Assets
- c. Liabilities
- d. Drawing

37. Which voucher is used as proof that creditor Mr. A outstanding amount has cleared?

- a. Cash Payment voucher
- b. Bank Receipt voucher
- c. Petty cash voucher
- d. Cash receipt voucher

38. What will be debited If Mr. "A" started business with Rs. 2, 00,000.

- a. **Capital account**
- b. Cash account
- c. Mr. A's account
- d. Business account

39. Which of the following particular/s is/are included in payment voucher?

- a. Name of organization
- b. Cash payment
- c. Date
- d. **All of the given**

40. Which of the following is (are) item (s) of cost of goods sold statement?

- a) Purchase of raw material
- b) Any tax/freight paid on purchases
- c) Any expense incurred on carriage/transportation of raw material purchased items
- d) **All of the given options**

41. Which of the following voucher is used to record transactions that do not affect bank & cash?

- a) **Journal Voucher**
- b) Receipt Voucher
- c) Payment Voucher
- d) Nominal Voucher

42.

- a) Rs. 400
- b) Rs. 2,500
- c) **Rs. 2,900**
- d) Rs.20, 900

43. What would conversion costs if costs of raw materials, direct labor costs, and manufacturing overhead costs Rs.80,000, Rs.50,000, and Rs.60,000, respectively?

- a) Rs.130, 000
- b) **Rs.110, 000**
- c) Rs.140, 000
- d) Rs.190, 000

44. A form that allows individuals to compare their personal bank account records to the bank's records of the individual's account balance in order to uncover any possible discrepancies is known as:

- a) Bank statement
- b) Income statement
- c) Financial statement
- d) **Bank Reconciliation statement**

45. Cash and other resources that are expected to turn to cash or to be used up within one year of the balance sheet date are called:

- a) Current liability
- b) **Current assets** (Right Answer)
- c) Fixed assets
- d) Long-term assets

46. An accounting system is used by a business to:

- a) Analyze transactions
- b) Handle routine bookkeeping tasks
- c) Structure information
- d) **All of the given options**

47. Particulars Rs. Opening written down value of machine 3,75,000 Cost of machine 50,000 Depreciation during the year 11,500 Closing written down value (WDV) of the Machines ?

- a) **Rs. 4,13,500**
- b) Rs. 4, 25,000
- c) Rs. 3, 36,500
- d) Rs. 61,500

48. 48.

- a. **Furniture account**
- b. Cash account
- c. Business account
- d. Bank account

49. Expenditure incurred in acquiring the patent right for the business is an example of:

- a) **Revenue expenditure**

- b) Capital expenditure
- c) Deferred revenue expenditure
- d) Administrative expenditure

50. Total assets - Total liabilities =?

- a) Owner's Equity
- b) Expenses
- c) Retained earnings
- d) Net profit

51. What will be debited, if business bought goods on credit from Mr. Ali?

- a) Purchases account
- b) Mr. Ali account
- c) Cash account
- d) Sales account

52. Prepaid rent given in the Trial Balance will be treated as a(an):

- a) Asset
- b) Liability
- c) Revenue
- d) Deferred expense

53. A business event which can be measured in terms of money and must be recorded in books of accounts is called:

- a) Condition
- b) Transaction
- c) Information
- d) Record

54. Which one of the following is NOT a feature of sole proprietorship business.

- a) Easy Formation
- b) Easy Dissolution
- c) Unlimited Liability

d) **Separate Legal Entity**

55. In which of the following statement opening stock is shown?

- a) Profit and loss account
- b) **Balance sheet**
- c) Cash flow statement
- d) Owner's equity

56. The profitability of its business operations for a period of time

- a) Its financial position at the end of an accounting period
- b) **Its cash receipts and cash payments during an accounting period** (Not Sure)
- c) None of the given options

57. Which of the following is (are) example(s) of non distributable profit?

- a) General reserve
- b) Accumulated profit and loss (credit balance)
- c) Revaluation reserves
- d) **None of the given options** (Not sure)

58. Which of the following Organization converts raw material into finished goods?

- a) Trading concern
- b) **Manufacturing concern**
- c) Merchandising concern
- d) Service concern

59. In firms cash flow statements, which of the following would appear as a cash outflow?

- a) The payments for share in a company whose shares are treated on a stock exchange
- b) A decrease in trade debtors over the course of an accounting period
- c) Money received as a result of issuing new shares
- d) **Money received as result of selling fixed assets** (Not sure)

60. Which of the following particular/s is/are included in receipt voucher?

- a) Name of organization
- b) Bank receipt
- c) Date
- d) All of the given options

61. Which of the following assets is most likely to appreciate rather than depreciate?

- a) Land (Right Answer)
- b) Motor vehicles
- c) Plant and machinery
- d) Fixtures and fittings

62. Which of the following item needs to be entered in the Cash Book in order to bring it in line with the entries on the Bank Statement?

- a) A bank charges
- b) An error on the Bank Statement
- c) An uncredited deposit
- d) An unpresented cheque

63. Wages paid to laborers working in the manufacturing department is treated as an expense of:

- a) Cost of goods sold
- b) Administrative expenses
- c) Selling expenses
- d) Marketing expenses

64. Bad debts written off (given in adjustment) always affect the:

- a) Debtors account
- b) Creditors account
- c) Cash account
- d) Capital account

65. Carriage paid Rs. 50 for the newly purchased machinery if debited to carriage account will effect:

- a) Only carriage account

- b) Only machinery account
- c) Both carriage and machinery account
- d) None of the given options

66. Cost of goods manufactured - opening work in process + ending work in process =?

- a) Cost of goods sold
- b) Prime cost
- c) Conversion cost
- d) Total factory cost

67. If cost of sales is Rs. 95,000, income from sales Rs. 200,000 and operating expenses Rs. 300,000. What will be net result?

- a) Rs. 1, 95,000 Losses
- b) Rs. 1, 95,000 Profits
- c) Rs 1, 05,000 Profits
- d) Rs1, 05,000 Losses

68. What is the proper order of the following steps in the accounting process? I. Prepare and analyze the trial balance II. Record relevant transactions and events in a journal III. Analyze each transaction and event from source documents IV. Post journal information to ledger accounts

- a) III. IV. I. II.
- b) I. II. III. IV.
- c) III. II. IV. I.
- d) III. II. I. IV.

69. All of the below items are directly recorded by bank without intimating the business until the end of month, EXCEPT:

- a) Bank Charges
- b) Interest on Overdraft
- c) Un-presented Cheques
- d) Direct Receipts

70. Which of the following is Not an Asset Account?

- a) Plant & Machinery
- b) Loan to XYZ co.
- c) Cash at Bank
- d) **Loan from ABC co.**

71. A balance of pass book written in brackets () by the bank is known as:

- a) **Favorable balance for customer**
- b) Unfavorable balance for bank
- c) Unfavorable balance for customer
- d) None of the above

72. Which of the following is an example of direct materials cost?

- a) **Production worker's wages**
- b) Depreciation expenses
- c) A piece of wood for the production of chair
- d) Polish and finishing material for chair
- e) other are non direct or factory

73. Expenditure incurred in acquiring the patent right for the business is an example of:

- a) Revenue expenditure
- b) **Capital expenditure**
- c) Deferred revenue expenditure
- d) Administrative expenditure

74. Cash book is a part of_____.

- a) Voucher
- b) General Journal
- c) **General Ledger**
- d) Trial Balance

75. What will be the entry of disposal of an asset at cost price?

- a) Debit Fixed Asset Disposal and Credit Fixed Asset Cost
- b) Debit Accumulated Dep. and Credit Fixed Asset Disposal
- c) Debit Cash / Bank and Credit Fixed Asset Disposal

d) None of the given options

76. ABC co. has a capital of Rs. 100,000, Long Term Liabilities Rs. 50,000, net profit during the year Rs. 15,000 and the amount of total liabilities is Rs 175,000. What will be the amount of Current Liabilities?

- a) Rs. 20,000
- b) Rs. 150,000
- c) **Rs. 10,000**
- d) Rs. 25,000

77. A manufacturing concern has Raw material of worth Rs. 100,000, Direct Labor Rs. 75,000 and Factory Overhead Rs. 50,000. The amount of Conversion cost will be:

- a) Rs. 150,000
- b) Rs. 175,000
- c) **Rs. 125,000**
- d) Rs. 225,000

78. The Sales Returns Day Book would include:

- a) Goods bought on credit
- b) Fixed Assets bought that are inappropriate for business
- c) **Stock that customers have returned**
- d) Goods bought on credit that are returned to the original supplier

79. Total Sales are calculated by adding:

- a) Cash sales and cash received from debtors
- b) Credit sales and cash received from debtors
- c) **Cash sales and credit sales** (Right Answer)
- d) Cash sales and credit purchases

80. In the cost of goods sold statement, the sum of labor cost and the factory overhead is known as:

- a) **Conversion cost**
- b) Prime cost
- c) Total factory cost

d) Cost of goods manufactured

81. Outsider's claim against the assets of the business is called:

- a) Capital
- b) **Liability**
- c) Expense
- d) Income

82. Which of the following particular/s is/are included in payment voucher?

- a) Name of organization
- b) Cash payment
- c) Date
- d) **All of the given options**

83. Goods returned by Mr. B amount to Rs. 4,000. The entry in the books will be:

- a) **Mr. B is Debit Sales Returns is Credit**
- b) Sales Returns is Debit Mr. B is Credit
- c) Mr. B is Debit Accounts Receivable Credit
- d) Purchases Return Debit Mr. B is Credit

84. A form that allows individuals to compare their personal bank account records to the bank's records of the individual's account balance in order to uncover any possible discrepancies is known as:

- a) Bank statement
- b) Income statement
- c) Financial statement
- d) **Bank Reconciliation statement**

85. Following information is available relating to a manufacturing concern: Cost of Goods Sold Rs. 245,000 Purchases Rs. 250,000 Freight Inward Rs. 5,000 Closing Stock Rs. 25,000 What will be the amount of Opening Stock?

- a) **Rs. 15,000**
- b) Rs. 10,000
- c) Rs. 25,000
- d) Rs. 20,000

86. Bank Balance will fall under which of the following classification of account?

- a) **Assets**
- b) Liabilities
- c) Revenues
- d) Expenses

87. After some intervals, the sum of sales is posted to the debit side of.....?

- a) **Total Debitor Account**
- b) Sales Account
- c) Total Creditors Account
- d) None of the given Options

88. Outsider claim against assets of the business is also called for the entity?

- a) Income
- b) Resource
- c) Expense
- d) **Liabilities**

89. Which of the following accounts will be debited, when we acquire the building of 500,000 Rs on Credit?

- a) Capital Account
- b) **Building Account**
- c) Cash Account
- d) Bank Account

90. Expenses are recorded when incurred either paid or not according to?

- a) Cash accounting
- b) management accounting
- c) Cost accounting
- d) **Accrual accounting**

91. The favorable balance as per pass book is:

Credit balance as per bank statement

92. Expense account is closed at the end of the accounting period in:

Income account

93. _____ is posted in debit side of debtors account.

Credit sales

94. In case of creating the provision for discount on debts, _____ is debited.

Discount allowed account

95. All of the following are the depreciation methods for tangible fixed assets EXCEPT:

Fair value method

96. The favorable balance as per cash book (bank column) is:

Unfavorable balance as per bank statement

97. ABC Corporation has recently purchased a new production plant. It will be initially measured at _____.

Cost

98. _____ is posted in credit side of debtors account.

Credit purchases

99. Which of the following is a Tangible fixed asset?

All of the given options

100. Which of the following needs NOT to be adjusted in cash book?

Cheques deposited but not credited

101. Which of the following should be debited in bank statement?

Interest on overdraft

102. _____ is charged to profit and lost account.

Bad debts account

103. Comparison of bank column of cash book and bank statement is needed while preparing:

Bank reconciliation statement

104. If cost of equipment is Rs. 108,000, useful life is 10 years and its residual value is Rs. 8,000. Then Depreciation for the year using straight line method is

Rs. 10,000

105. If cost of a plant is Rs. 120,000. Total estimated hours are 15,000 and residual value is Rs. 20,000. Then depreciation rate per hour is _____.

Rs. 6.67 per hour

106. _____ is posted in credit side of debtors account.

Sales return

107. Income account is closed at the end of the accounting period in:

Income statement

108. In case of writing off debtors as bad debt, _____ is credited.

Debtors account

109. All of the below items are directly recorded by bank without intimating the business until the end of month, EXCEPT:

Un-presented Cheques

110. The bank debits the customer's account in pass book in case of:

Interest on Overdraft

111. _____ is posted in debit side of receivable account.

Balance b/f of receivable

112. _____ is posted in credit side of debtors account.

Purchase return

113. Income receivable at the end of the period is treated as:

Assets

114. Irrecoverable debts are also known as:

Bad debts

115. The Cheques that have been deposited into the bank but not cleared until the end of the period is called as:

Un-Credited (Not Sure)

116. Which of the following should be debited in bank statement?

Amount deposited in bank

117. In case of goods sold on credit basis, _____ is debited.

Debtors account

118. In case of creating the provision for discount on debts, _____ is debited.

Discount allowed account

119. _____ is posted in the debit side of debtors account.

Balance b/f of debtors

120. If an asset is exchanged with another asset and commercial substance does not exist, the cost of asset taken through exchange is _____ of assets given up.

Carrying value

121. Which of the following is TRUE regarding tangible fixed assets?

All of the given options

122. Rent income account should be debited due to:

Rent receivable opening

123. Which of the following should be credited in bank column of cash book?

Dividend received on behalf of customer

124. Income received during the period should be mentioned on:

Income side of balance sheet

125. Which of the following is a Tangible fixed asset?

All of the given option

126. _____ is posted in debit side of debtors account.

No answer

127. The bank debits the customer's account in pass book in case of:

All of the given options

128. _____ is posted in credit side of debtors account.

No answer

129. At the end of the accounting period, income and expense account are closed in:

Income statement

130. In case of recovery of bad debts, _____ is credited.

Bank account

131. Which of the following can be attributed as "Useful life" a tangible fixed asset?

All of the given options

132. A debit balance in the Bank Statement indicates:

Bank overdraft

133. Expenses paid in advance at the end of the period is treated as:

Assets

134. A debit balance in the bank Statement indicates:

Bank overdraft

135. In case of creating provision for doubtful debt, _____ is credited.

Provision for doubtful debts account

136. In case of creating provision for doubtful debt, _____ is debited.

Bad debts account

137. The useful life of tangible fixed assets is:

More than one year

138. Advance receipt at the end of the period is treated as:

Liability

139. What should be credited, if salary is paid to Sohail?

- a) Sohail account
- b) Salaries account
- c) **Cash account**
- d) Drawings account

140. Which of the following is NOT correct?

- a) Decrease in Assets will be credit
- b) Decrease in Liabilities will be debit
- c) **Decrease in Expenses will be debit**
- d) Decrease in Revenue will be debit

141. Which of the following is/are the example/s of Intangible Asset?

- a) Copy rights
- b) Good will
- c) Patent rights
- d) **All of the given options**

142. Which of the following is a FIRST product of accounting cycle?

- a) **Voucher**
- b) General Journal
- c) General Ledger
- d) Financial Statements

143. What will be debited, if Mohsin commenced business with cash?

- a) **Cash account**
- b) Capital account
- c) Drawings account
- d) Proprietor account

144. Assets are divided in which of the following categories in balance sheet.

- a) Current assets, Long term assets and capital assets
- b) Current assets, Long term assets and fixed assets
- c) **Current assets, Quick assets and business debts**

d) **Current assets, Fixed assets and deferred cost**

145. Find out the missing value of an Accounting Equation with the help of given data:
Cash Rs.100,000 Debtors Rs.10, 000 Other Assets Rs. 1,000 Owner's equity Rs. 1, 000
Liabilities ?

- a) Rs. 12,000
- b) Rs. 11,000
- c) **Rs. 110,000**
- d) Rs. 111,000

146. What will be debited, if business purchased Vehicle on cash?

- a) **Vehicle account**
- b) Cash account
- c) Business account
- d) Bank account

147. Franchise rights, goodwill and patents are the examples of:

- a) Liquid assets
- b) Tangible assets
- c) **Intangible assets**
- d) Current assets

148. Consider the following data: Particulars Rs. Assets ? Owner's equity 35,000
Liabilities 90,000

- a) Rs. 35,000
- b) Rs. 55,000
- c) **Rs. 1, 25,000**
- d) Rs. 1, 05,000

149. What should be credited, if rent paid in cash?

- a) Landlords account
- b) Rent account
- c) **Cash account**
- d) Accounts receivable account

150. Consider the following data: Particulars Rs. Assets 75,500 Owner's equity ?
Liabilities 40,200

- a) Rs. 35,300
- b) Rs. 55,000
- c) Rs. 125,000
- d) Rs. 115,700

151. Find out the missing value of an Accounting Equation with the help of given data:
Total Assets Rs. 34,500 Accounts payable Rs. 1, 000 Other liabilities Rs. 11,500
Owner's equity ?

- a) Rs. 22,000
- b) Rs. 24, 000
- c) Rs. 45,000
- d) Rs. 46,000

152. Which of the following item is found in a Journal entry? (1) Date of each transaction (2) Rupee amount of each debit and credit (3) Explanation of each transaction

- a) 1 only
- b) 1 & 2 only
- c) 2 & 3 only
- d) 1, 2 & 3

153. Which one of the following will result in increase in revenues?

- a) Purchased fixed asset
- b) Received discount
- c) Payment to creditors
- d) Return of goods, sold on credit

154. Amount generated from sales in a business is called:

- a) Income
- b) Net Income
- c) Gross Profit
- d) Operating profit

155. The expenses which are NOT paid out of Gross Profit is classified as:

- a) Direct Expenses
- b) General Expenses
- c) Financial Expenses
- d) Selling Expenses

156. The process of transferring journal entry information to the ledger is called:

- a) Journalizing
- b) Posting
- c) Balancing
- d) Analyzing

157. Which of the following is NOT correct?

- a) Decrease in Assets will be credit
- b) Decrease in Liabilities will be credit
- c) Decrease in Expenses will be credit
- d) Decrease in Revenue will be debit

158. Find out the missing value of an Accounting Equation with the help of given data:

Furniture Rs.90,000 Cash Rs.100, 000 Debtors Rs.10, 000 Other Assets Rs. 1,000

Owner's equity Rs. 90,000 Liabilities?

- a) Rs. 201,000
- b) Rs. 111, 000
- c) Rs. 290, 000
- d) Rs. 291, 000

159. The expenses which are NOT paid out of Gross Profit is classified as:

- a) Direct Expenses
- b) General Expenses
- c) Financial Expenses
- d) Selling Expenses

160. Which of the following is NOT a characteristic of Joint Stock Company?

- a) Separate Legal Entity

b) Limited Liability of shareholders

c) Easy formation

d) Common Seal

161. Any expense that gives benefit for a period of less than twelve months is called _____.

a) Capital Expense

b) Revenue Expense

c) Revenue Receipt

d) Deferred Expense

162. The process of transferring journal entry information to the ledger is called:

a) Journalizing

b) Posting

c) Balancing

d) Analyzing

163. Total assets - Total liabilities =?

a) Owners' Equity

b) Expenses

c) Retained earnings

d) Retained earnings

164. Net profit = Gross profit - _____

a) Operating Expenses

b) Product Cost

c) Deferred Expenses

d) Direct Cost

165. Debit signifies:

a) Increase in Asset account

b) Decrease in liability account

c) Decrease in capital account

d) All of the given options

166. The term "Debit" is derived from _____ language.

- a) Latin
- b) English
- c) French
- d) Chinese

167. A book that keeps separate record for each account is known as:

- a) Trial Balance
- b) Voucher
- c) General Journal
- d) General Ledger

168. Which one of the following is called the book of primary Entry?

- a) General Journal
- b) General Ledger
- c) Trial Balance
- d) Profit and loss account

169. In an account if credit side > debit side, the balance is known as:

- a) Negative Balance
- b) Debit Balance
- c) Credit Balance
- d) Positive Balance

170. Normally single entry book keeping is followed by the:

- a) Small businesses only
- b) Governments only
- c) Large scale businesses only
- d) Both Small businesses and Governments

171. What will be debited, if business sold goods for Rs.10, 000 on credit?

- a) Cash account
- b) Sales account

- c) **Accounts receivable account**
- d) Purchases account

172. An expenditure whose benefit is finished or enjoyed immediately is called:

- a) **Expense**
- b) Liability
- c) Cost
- d) Income

173. What should be debited, if Sales made to Mahmood for cash?

- a) **Cash account**
- b) Mahmood account
- c) Sales account
- d) Purchases account

174. Which of the following is NOT a characteristic of Journal?

- a) Transactions are recorded in chronological order
- b) Transaction is first recorded in Journal from Voucher
- c) It is also called "The original book of entry"
- d) **None of the given options**

175. Consider the following data: Particulars Rs. Assets 1,05,000 Owner's equity 70,000 Liabilities ?

- a) **Rs. 35,000**
- b) Rs. 1, 75,000
- c) Rs. 7, 35,000
- d) Rs. 1, 05,000

176. Which of the following is Not a part of General Ledger?

- a) **Activity Book**
- b) Purchase Return Book
- c) Purchase Book
- d) Sales Book

177. What will be debited, if business bought goods on credit from Mr. Ali?

- a) Purchases account
- b) Mr. Ali account
- c) Cash account
- d) Sales account

178. Find out the missing value of an Accounting Equation with the help of given data:
Total Assets Rs. 34,500 Accounts payable Rs. 1, 000 Other liabilities Rs. 11,500 Owner's equity ?

- a) Rs. 22,000
- b) Rs.24, 000
- c) Rs. 45,000
- d) Rs. 46,000

179. Consider the following data: Particulars Rs. Assets 99,500 Owner's equity 50,500 Liabilities ?

- a) Rs. 49,000
- b) Rs. 55,000
- c) Rs. 125,000
- d) Rs. 115,700

180. Consider the following data: Particulars Rs. Assets 1, 05,000 Owner's equity 70,000 Liabilities ?

- a) Rs. 35,000
- b) Rs. 1, 75,000
- c) Rs. 7, 35,000
- d) Rs. 1, 05,000

181. Which of the following is NOT correct?

- a) Decrease in Assets will be debit
- b) Decrease in Liabilities will be debit
- c) Decrease in Expenses will be credit
- d) Decrease in Revenue will be debit

182. Which of the following is NOT considered a part of financial statements?

- a) General Journal
- b) Balance Sheet
- c) Profit and Loss account
- d) None of the given options

183. Which one of the following will result in increase in revenues?

- a) Purchased fixed asset
- b) Received discount
- c) Payment to creditors
- d) Return of goods, sold on credit

184. The basic accounting principle/concept according to which business record must be kept separate from the personal records of the owner is known as:

- a) Going-concern concept
- b) Separate entity principle
- c) Realization principle
- d) Objectivity principle

185. In an account if debit side > credit side, the balance is known as the:

- a) Negative Balance
- b) Debit balance
- c) Positive Balance
- d) Credit balance

186. Find out the missing value of an Accounting Equation with the help of given data:
Cash Rs.100, 000 Debtors Rs.10, 000 Other Assets Rs. 1,000 Owner's equity Rs. 1, 000
Liabilities ?

- a) Rs. 12,000
- b) Rs. 11,000
- c) Rs. 110,000
- d) Rs. 111,000

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187. Find out the missing value of an Accounting Equation with the help of given data:
Owner's equity Rs. 22,500 Total Liabilities Rs. 80,385 Cash Rs. 1,000 Bank Rs. 2,000
Debtors Rs. 500?

- a) Rs. 102,885 other assets
- b) Rs. 102,885 current liabilities
- c) Rs. 99,885 current liabilities
- d) Rs. 99,385 other assets

188. If Gross profit Rs.16,500 and Cost of goods sold Rs.183,500, what will be the amount of Net Sales?

- a) Rs. 183,500
- b) Rs. 167,000
- c) Rs. 200,000
- d) Rs. 230,000

189. Which of the following is NOT correct?

- a) Decrease in Assets will be credit
- b) Decrease in Liabilities will be credit
- c) Decrease in Expenses will be credit
- d) Decrease in Revenue will be debit

190. Debit signifies:

- a) Increase in Asset account
- b) Decrease in liability account.
- c) Decrease in capital account
- d) All of the given options

191. When total liabilities are subtracted from total assets the remaining amount is known as:

- a) Equity or net assets
- b) Net income or net loss.
- c) Total expenses
- d) Total revenue

Mgt101 Quiz number 1

192. Find out the missing value of an Accounting Equation with the help of given data:
Cash Rs. 22,500 Debtors Rs. 500 Total Assets Rs. 80,385 Accounts payable Rs. 1,000
Total liabilities Rs. 20,000?.

- a) **Rs. 60,385 owner's equity**
- b) Rs. 61,385 owner's equity
- c) Rs. 99,885 owner's equity
- d) Rs. 99,385 owner's equity

193. Which one of the following cannot be classified as Revenue Income?

- a) Goods sold for cash
- b) Goods sold on credit
- c) Income from the sale of services
- d) **Income from the sale of fixed assets**

194. What will be debited, If Mr. "A" started business with Rs. 2,00,000.

- a) Capital account
- b) **Cash account**
- c) Mr. A's account
- d) Business account

195. If Salaries Rs. 12,000, Rent Rs. 5,000, Gross profit Rs. 58,000 and Discount received Rs. 10,000. What will be the amount of Net Profit?

- a) **Rs. 41,000**
- b) Rs. 51,000
- c) Rs. 61,000
- d) Rs. 65,000

196. Which of the following is / are the particular/s of a cash book? (1) Date of transaction (2) Account title (3) Amount

- a) 1 only
- b) 1 & 2 only
- c) 1 & 3 only
- d) **1, 2 & 3**

Mgt101 Quiz number 1

197. Find out the missing value of an Accounting Equation with the help of given data:
Furniture Rs. 90,000 Cash Rs.100, 000 Debtors Rs.10, 000 Other Assets Rs. 1,000
Owner's equity Rs. 90, 000 Liabilities?

- a) Rs. 201,000
- b) Rs. 111,000
- c) Rs. 290, 000
- d) Rs. 291, 000

198. Which of the following is NOT a characteristic of Joint Stock Company?

- a) Separate Legal Entity
- b) Limited Liability of shareholders
- c) Easy formation
- d) Common Seal

199. After specific intervals sum of purchases return journal is posted to the debit side of ____

Purchases return Account

200. Which of the following main accounting heads would be affected on receipt of rent?

Income

201. If resources in business are supplied by the owners only the financial position looks like

Assets = liabilities + equity

202. Post reference column of a journal entry is

Page number of relevant ledger account

203. Which of the following is NOT correct?

- a) Decrease in Assets will be debit
- b) Decrease in Liabilities will be debit
- c) Decrease in Expenses will be credit
- d) Decrease in Revenue will be debit

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204. Increase in an expense is recorded on the:

- a) Left or credit side of the account
- b) Right or debit side of the account
- c) Left or debit side of the account
- d) Right or credit side of the account

205. Which one of the following is NOT a feature of sole proprietorship business.

- a) Easy Formation
- b) Easy Dissolution
- c) Unlimited Liability
- d) Separate Legal Entity

206. All of the following are components of financial statements EXCEPT.

- a) Statement of Profit or Loss and other Comprehensive Income
- b) Trial Balance
- c) Statement of Cash Flows
- d) Statement of Changes in equity

207. All of the following are contra accounts EXCEPT.

- a) Drawings
- b) Sales return
- c) Purchases
- d) Provision of doubtful debts

208. Which of the following are recorded in sales journal?

- a) Cash sales transactions
- b) Credit sales transactions
- c) Credit sales return transactions
- d) Both credit and cash sales transactions

209. Which of the following is

TRUE?

- a) Nature of Incomes is Credit
- b) Nature of Expenses is Debit
- c) Nature of Owners' Equity is Credit
- d) All of the given options

210. Which of the following should be debited in bank statement?

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- a) Amount deposited in bank
- b) Interest on deposit
- c) Amount withdrawn from bank
- d) Dividend received on behalf of customer

211. "5/10. n/30" is

an example of:

- a) Bulk purchase discount
- b) Regular customer discount
- c) Season end discount
- d) Settlement discount

212. The process of picking up an amount from journal and placing into the debit or credit side of relevant ledger account in ledger is known as:

- a) Journalizing
- b) Posting
- c) Balancing
- d) Crediting

213. Which of the following is used to check the arithmetic accuracy of bookkeeping?

- a) Chart of accounts
- b) Trial balance
- c) Profit & loss account
- d) Balance sheet

214. All of the following are examples of current assets EXCEPT:

- a. Bank overdraft
- b. Cash at bank
- c. Cash at hand
- d. Accounts receivables

215. Which of the following is/are prepared for a specific period?

- a) Statement of Profit or Loss
- b) Statement of Financial Position
- c) All financial statements
- d) None of the given options

216. Posting is done in ---

- a) Invoice
- b) Journal
- c) Ledger
- d) Trial balance

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217. Which of the following represents the basic ideology of income statements?
- a) Profit = Income – Expenses
 - b) Profit = Income + Expenses
 - c) Assets = Owners equity + Liabilities
 - d) Assets = Owners equity – Liabilities
218. Which of the following is also known as balance sheet?
- a) Statement of cash flow
 - b) Statement of financial position
 - c) Statement of changes in equity
 - d) Statement of profit or loss
219. Which of the following (s) the part of cost of goods sold?
- a) Opening stock
 - b) Purchases
 - c) Closing stock
 - d) All of the given items
220. In _____ ledger accounts produce balance continuously throughout the accounting period like after each Dr/Cr posting.
- a) Running balance style
 - b) T account style
 - c) Report style
 - d) All of the given options
221. Which of the following is a contra account?
- a) Sales
 - b) Purchase return
 - c) Capital
 - d) Debt
222. Which of the following is an example of a current liability?
- a) Bank overdraft
 - b) Furniture
 - c) Closing stock

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d) Discount received

223. Which is also known as day book?

- a) **Journal**
- b) Ledger
- c) Trial balance
- d) Balance sheet

224. Which of the following refers to the resources of entity

- a) **Sum of total assets**
- b) Sum of total liability
- c) Sum of total assets and owner equity
- d) Sum of All

225. Which of the following errors can be deducted through a trial balance

- a) Omission of complete transaction from recording
- b) **Arithmetic accuracy of bookkeeping**
- c) Giving Dr and Cr effect to wrong accounting head
- d) Passing correct journal entry with wrong amount

226. When a company deposit a cash in its bank account then what is the nature of the deposited account?

- a) **It is the liability of the bank**
- b) It is the expense of the bank
- c) It is the equity of the bank
- d) It is the asset of the bank

227. _____ is the list of the names of accounts that business accountant identifies from the journal and prepares for recording transaction in its general ledger.

- a) Trial balance
- b) Profit and loss account
- c) **Chart of accounts**
- d) None of the given options

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228. Sales – Cost of goods sold =?

- a) Gross profit
- b) Operating profit
- c) Net profit
- d) Current assets

229. Which of the following is the 'Contra Account'?

- a) Purchases
- b) Drawings
- c) Capital
- d) Debit

230. Which of the following is NOT an operating expense?

- a) Stationary
- b) Repairs
- c) Salaries & Wages
- d) Loan from bank

231. Post reference Column of a journal is:

- a) Ever occurring after transaction takes place
- b) Page number of relevant ledger account
- c) Name of person recording the journal entry
- d) None of the given options

232. ABC& Co made its monthly office rent payment. Which of the following accounts would be affected from this transaction?

- a) Assets and expenses
- b) Liabilities and assets
- c) Expenses and liabilities
- d) Revenue and assets

233. Which of the following is/are the examples of the intangible asset?

- a) Copy rights
- b) Good will

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- c) Patent rights
d) **All of the above**
234. An expenditure whose benefit is finished or enjoyed immediately is called
a) **Expenses**
b) Liability
c) Cost
d) Income
235. All of the following are recognized as capital expenses except
a) Purchase of land
b) Acquiring office building
c) Acquiring furniture
d) **Disbursement of fuel bill**
236. Net profit = Income - _____
a) Liabilities
b) Assets
c) **Expenses**
d) Capital
237. All of the following are liabilities EXCEPT:
a) **Prepaid insurance**
b) Accrued rent
c) Accounts payable
d) Loan from bank
238. Increase in liability can cause increase in:
a) Receivables
b) Profits
c) **Goods**
d) Equity
239. Machinery purchased on Credit for Rs. 17,000 will have an effect on which of the following accounts?

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- a) Machinery account & creditor account
- b) Machinery account & accounts receivable account
- c) Purchases account & accounts receivable account
- d) Purchases account & accounts payable account

240. Withdrawal by the owner for personal use reduces:

- a) Cash
- b) Revenues
- c) Loss
- d) Liabilities

241. An event can be classify as monetary:

- a) Losing a match
- b) Purchases on cash
- c) Placing purchase order
- d) Winning a trophy

242. ABC & Company purchased good for resale purposes on cash. Which one of the following account head will decrease?

- a) Capital
- b) Cash
- c) Creditor
- d) Debtor

243. In journal, transactions are recorded in_____.

- a) Alphabetical order
- b) All of the given options
- c) Chronological order
- d) Random order

244. The commission earned accounts falls under which of the following classification of accounts?

- a) Assets
- b) Liability

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- c) **Income**
d) Expenses
245. The fees earned account will fall under which of the following classification of accounts?
a) Assets
b) Expenses
c) Liabilities
d) **Revenues**
246. Which of the following accounts will be affected when we acquire building and paid rupees Rs. 500,000?
a) Capital account
b) Bank account
c) Expense account
d) **Cash account**
247. All of the following are parts of journal entry EXCEPT:
a) Narration
b) **Closing balance**
c) Date
d) Post reference
248. When a business purchases goods from ABC & Co. and promises to pay the amount at certain future time period, ABC & Co. is recorded as:
a) **Creditors of the business**
b) Equity of the business
c) Assets of the business
d) Debtors of the business
249. Owner's Equity = ?
a) Capital + expenses
b) **Capital – losses**
c) Capital + drawing
d) Capital + losses

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250. Trade discount is recorded in the books of:

- a) Buyer
- b) Both seller and buyer
- c) Seller
- d) Neither seller nor buyer

251. Outsider's claim against the assets of the business is also called _____ for entity.

- a) Liabilities
- b) Income
- c) Resources
- d) Expense

252. Cash received from sale is recorded in cash register only. It is an example of which of the following?

- a) Commercial Accounting
- b) Double Entry Book Keeping
- c) Accrual Accounting
- d) Single Entry Book Keeping

253. _____ is a list of the names of accounts that business accountant identifies from the journal and prepares for recording transactions in its general ledger.

- a) Profit & loss account
- b) Trial balance
- c) None of the given options
- d) Chart of accounts

254. Machinery purchased on Credit for Rs. 15,000 will have an effect on which of the following accounts?

- a) Machinery Account & Creditor Account
- b) Machinery Account & Accounts Receivable Account
- c) Purchase Account & Accounts Payable Account
- d) Purchase Account & Accounts Receivable Account

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255. Debit note is issued by the buyer when _____ are returned.
- a) Cash sales
 - b) Credit Purchases
 - c) Credit Sales
 - d) **Cash Purchases**
256. Which of the following is WRONG?
- a) Nature of owner's equity is credit
 - b) Nature of Assets is debit
 - c) **Nature of Income is debit**
 - d) Nature of Expenses is debit
257. In the post reference column of journal, _____ is written in which its effect is to be posted.
- a) Page number of the balance sheet
 - b) Closing balance of account
 - c) **Page number of the ledger**
 - d) Page number of the Journal
258. The person who is responsible for maintaining a journal is known as:
- a) **Bookkeeper**
 - b) Internal auditor
 - c) Chief financial officer
 - d) Financial manager
259. Which of the following is an asset?
- a) Wages
 - b) Account payable
 - c) Sales
 - d) **Prepaid Insurance**
260. Which of the following best describes a 'Trial balance'?
- a) **List of ledger balances**
 - b) List of all assets and liabilities

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- c) List of cash inflows and outflows
 - d) List of accounting heads
261. "5/10, n/30" is an example of:

- a) Regular customer discount
- b) Settlement discount
- c) Season end discount
- d) Bulk purchase discount

262. An event can be classified as non-monetary:

- a) Purchase on cash
- b) Placing purchase order
- c) Selling on credit
- d) Loss by accident

263. Owner's equity=?

- a) Capital-revenues
- b) Capital+ losses
- c) Capital+ expenses
- d) Capital – drawings

264. After specific intervals sum of purchases return journal is posted to the debitside of _____

- a) Total creditors account
- b) Total debtors account
- c) Purchases return account
- d) None of the given option

265. If resources in business are supplied by the owner and out siders, thenaccounting equation looks like as _____

- a) Assets= liabilities
- b) Assets= liabilities – capital
- c) Assets= liabilities+ capital
- d) Assets= capital

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266. In the post reference column of a ledger account _____ is written from which this entry is posted
- a) Page number of the balance sheet
 - b) Page number of the journal
 - c) Page number of the ledger
 - d) Closing balance of account
267. A book that keeps separate record for each account is known as
- a) Voucher
 - b) Trial balance
 - c) General ledger
 - d) General journal
268. The term debit is derived from _____ language.
- a) English
 - b) Latin
 - c) Chinese
 - d) French
269. Goods sold on credit increase
- a) Liabilities
 - b) Creditors
 - c) Expenses
 - d) Revenues
270. Sales journal is totaled after _____
- a) The preparation of income statement
 - b) Each transaction of balance sheet
 - c) The preparation of balance sheet
 - d) A specific interval
271. An event can be classified as monetary
- a) Losing a match
 - b) Winning a trophy

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- c) Purchases on cash
d) Placing place order
272. Total assets- total liabilities=?
a) Resource
b) Owner's equity
c) Cost of sales
d) Expenses
273. The main purpose of _____ is to a certain true and fair result of the business operations during a particular period of time, for external reporting only
a. Financial accounting
b. Tax accounting
c. Cost accounting
d. Managerial accounting
274. Settlement discount is recorded in the books of
a) Both seller and buyer
b) Seller only
c) Buyer only
d) Neither seller nor buyer
275. When a company deposit a cash in its bank account then what is the nature of the deposited account?
a) It is the liability of the bank
b) It is the expense of the bank
c) It is the equity of the bank
d) It is the asset of the bank
276. _____ is the list of the names of accounts that business accountant identifies from the journal and prepares for recording transaction in its general ledger.
a) Trial balance
b) Profit and loss account
c) Chart of accounts
d) None of the given options

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277. Sales – Cost of good sold =?

- a) Gross profit
- b) Operating profit
- c) Gross profit
- d) Current assets

278. Which of the following represents the basic ideology of income statement?

- a) Profit = Incomes – Expenses
- b) Profit = Incomes + Expenses
- c) Assets = Owners equity + Liabilities
- d) Assets = Owners equity – Liabilities

279. Which of the following is the 'Contra Account'?

- a) Sales
- b) Purchases return
- c) Capital
- d) Debit

280. Post reference Column of a journal is:

- a) Ever occurring after transaction takes place
- b) Page number of relevant ledger account
- c) Name of person recording the journal entry
- d) None of the given options

281. Which of the following represents the basic ideology of a balance sheet?

- a) Profit = income – expenses
- b) Profit = income + expenses
- c) Assets = owner's equity + liabilities
- d) Assets = owner's equity – liabilities

282. A ledger account with full details is prepared in which of the following two styles:

- a) Direct account style and indirect account style
- b) T account style and running balance account style
- c) Report style and indirect account style

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283. d) T account style and indirect account style
_____ is a part of owner's equity.
- a) **Drawing**
 - b) Liabilities
 - c) Inventory
 - d) Accounts receivable
284. Which of the following refers to source of an entity?
- a) Sum of owner's equity and total assets
 - b) **Sum of total liabilities only**
 - c) Sum of owner's equity and total liabilities
 - d) Sum of total assets, owner's equity and total liabilities
285. Which of the following normally provide economic benefits to the entity for than one accounting year?
- a) Current asset
 - b) **Fixed asset**
 - c) Current liability
 - d) All of the give option
286. Which of the following is/are a reconciling items that cause disagreements between cash book and pass book.
- a) Credit transfers
 - b) Direct debits
 - c) **Un-presented cheques**
 - d) All of the given option
287. Which of the following is NOT to be adjusted in cash book?
- a) Interest on bank deposit
 - b) Direct payment by a customer in to the account
 - c) Bank charges deducted by the bank
 - d) **Cheques issued but presented for payment**

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288. When the company deposits the cash in bank account, then what is the nature of the deposited amount?
- a) It is the liability of the bank
 - b) It is the expense of the bank
 - c) It is equity of the bank
 - d) It is the asset of the bank
289. Which of the following best describes that chart of account?
- a) List of ledger balances
 - b) List of accounting heads
 - c) List of all assets liabilities
 - d) List of cash inflow and outflows
290. Furniture is purchased for Rs. 55000 from Mr. ABC on credit basis. The effects of this transaction are:
- a) Increase in assets increase in liability
 - b) Increase in assets decrease in liability
 - c) Increase in assets decrease in assets
 - d) Decrease in assets increase in liability
291. _____ in the art of recording, classifying and summarizing the transactions and events of a business and interpreting the results there of.
- a) Accounting
 - b) Auditing
 - c) Management
 - d) Book keeping
292. Withdrawals by the owner for personal use reduces:
- a) Loss
 - b) Equity
 - c) Revenues
 - d) Liabilities

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293. Identify the two accounting heads that are affected from the transaction of rent received in cash.

- a) Rent income and bank account
- b) Rent expense and cash account
- c) Rent income and cash account
- d) Rent expenses and bank account

294. After specific intervals, sum of sales journal is posted to the debit side of _____.

- a) Total debtors account
- b) Sales account
- c) None of these
- d) Total creditors account

295. The normal balance of income account is similar to.

- a) Assets account
- b) Expenses account
- c) Liabilities account
- d) Drawings account

296. Which of the following is TRUE regarding a cash account?

- a) None of these
- b) It always shows a debit balance
- c) It can show either debit or credit balance
- d) It always shows a credit balance

297. Outsider claim against the assets of the business is also considered as _____ for entity.

- a) Expense
- b) Drawings
- c) Income
- d) Sources

298. Trade discount is recorded in the books of:

- a) Both seller and buyer
- b) Seller
- c) Buyer

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d) Neither seller nor buyer

299. Which of the following main accounting heads would be affected on receipt of rent?

- a) Asset
- b) Expense
- c) Liability
- d) Capital

300. Which of the following is a part of owner equity?

- a) Drawings
- b) Inventory
- c) Liabilities
- d) Account receivables

301. PIA purchased a computer machine for Rs.150, 000 and paid through cheque. Which of the following accounts would be affected from the transaction?

I) Assets II) Liabilities III) Expenses IV) Revenues

- a) II and III
- b) I and II
- c) I and IV
- d) I only

302. CCA & Co. made its monthly office rent payment on cash. Which of the following accounts would be affected from this transaction?

I) Assets II) Liabilities III) Expenses IV) Revenues

- a) I and III
- b) I and IV
- c) II and III
- d) I and II

303. Which of the following is a condition that changes the financial position of entity?

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- a) Purchase on cash
- b) Placing purchase order
- c) **Loss by fire**
- d) Recording provision

304. Goods sold for Rs. 5000 on settlement terms (5/10), n/30). The amount of settlement discount is.

- a) 500
- b) 300
- c) **250**
- d) 1000

305. Generally accepted accounting principles (GAAP) are necessary financial statements.

- a) Are publicly available
- b) Should be standardized
- c) Should understandable
- d) **All of the above**

306. Accounting condition means recording -----.

- a) Interview
- b) Story
- c) Event
- d) **Adjustments**

307. Which of the following are recorded in purchase journal?

- a) Cash purchases transactions
- b) **Credits purchase return transitions**
- c) Both credit and cash purchase transactions
- d) Credit purchases transactions

308. The main purpose of ----- is to ascertain true and fair result of the business operations during a particular period of time, for external reporting only.

- a) Tax accounting

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- b) **Financial accounting**
c) Cost accounting
d) Managerial accounting
309. Which of the following is an asset?
a) **Prepaid insurance**
b) Wages
c) Account payable
d) Sales
310. If resources in business are supplied by the outsiders (other than the owner), then accounting equation looks like:
a) $\text{Assets} = \text{liabilities} + \text{capital}$
b) **$\text{Assets} = \text{liabilities}$**
c) $\text{Assets} = \text{capital}$
d) $\text{Assets} = \text{liabilities} - \text{capital}$
311. When goods are sold to a customer by an entity and customer promises to pay the amount at certain future time period, that customer is known as:
a) **Debtor**
b) Equity
c) Liabilities
d) Payables
312. Commissions earned account will fall under which of the following classification of accounts?
a) Expenses
b) **Revenues**
c) Assets
d) Liabilities
313. If resources in business are supplied by the owner(s) only, then financial position looks like:
a) $\text{Assets} = \text{liabilities} - \text{capital}$
b) $\text{Assets} = \text{capital}$

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- c) **Assets = liabilities**
- d) Assets = liabilities + capital

314. Goods sold on credit increase:

- a) **Creditors**
- b) Revenues
- c) Expense
- d) Liabilities

315. Which of the following is a condition that changes the financial position of entity?

- a) Purchases on cash
- b) Placing purchase order
- c) **Loss by fire**
- d) Recording provision

316. Cash invested by the owner in his business is also considered as ----- for entity.

- a) Liabilities
- b) **Sources**
- c) Expense
- d) Income

317. A business event which can be measured in terms of money and must be recorded in books of accounts is called:

- a) Record
- b) **Transaction**
- c) Data
- d) Information

318. The creditor account will fall under which of the following classification of accounts?

- a) **Liabilities**
- b) Expenses
- c) Assets
- d) Revenues

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319. Which of the following accounts will be credited, when we acquire building of Rs 500,000 on cash?

- a) Building Account
- b) Bank Account
- c) Capital Account
- d) Cash Account

320. Furniture is purchased for Rs. 55000 from Mr. ABC on credit basis. The effects of this transaction are

- a) Increase Asset Increase liability
- b) Increase Asset Decrease in liability
- c) Increase Asset Decrease in Asset
- d) Decrease in Asset increase in liability

321. When total liabilities are subtracted from total assets the remaining amount is known as

- a) Equity or Shareholders equity
- b) Total revenue
- c) Net income or Net loss
- d) Total expenses

322. Which voucher is used as proof that creditor Mr. A's outstanding amount has cleared

- a) Petty cash voucher
- b) Cash payment voucher
- c) Bank receipt voucher
- d) Cash receipt voucher

323. _____ is the art of recording, classifying and summarizing the transaction and events of business and interpreting the results thereof.

- a) Accounting
- b) Management
- c) Book-keeping
- d) Auditing

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324. Which of the following is a Contra account?

- a) Account receivable
- b) Sale
- c) Sales return
- d) Fixed asset

325. An event which can be measured in terms of money and qualify to be recorded in books of accounts is called:

- a) Transaction
- b) Information
- c) Record
- d) Data

326. Which of the following account is Credit if the owner has paid RS. 500 from the business for his personal use?

- a) Drawing account
- b) Cash account
- c) Capital account
- d) Bank account

327. Another name of net income or positive financial return is_____.

- a) Recourses.
- b) Profit
- c) Contribution Margin
- d) Creditor

328. Which of the following is WRONG?

- a) Nature of assets is credit
- b) Nature of income is credit
- c) Nature of Owners Equity is credit
- d) Nature of Expenses is Debit

329. Which if the following is a source from preparation of a Trial Balance?

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- a) Journal entry
- b) Journal
- c) **Ledger**
- d) Invoice

330. Identify the liability from the given list.

- a) Cash
- b) Prepaid Insurance
- c) **Rent payable**
- d) Accounts Receivable

331. Which of the following is TRUE regarding an Expense account?

- a) It always has a credit balance
- b) **Debit side of an expense is always greater than its credit side**
- c) It always shown in balance sheet
- d) Credit side of an expenses is always greater than it debit side

332. Which of the following is another name of cash discount?

- a) Regular customer discount
- b) Season end discount
- c) Bulk purchase discount
- d) **Settlement discount**

333. Which voucher is prepared when bank collects money from a debtor Mr. A?

- a) Petty cash voucher
- b) Bank payment voucher
- c) **Bank receipt voucher**
- d) Cash receipt voucher

334. In 'journal folio' column of ledger account, _____ is written from which this entry was posted.

- a) Code of account in journal
- b) Closing balance of account
- c) **Page number of the ledger**

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- d) Page number of the journal
335. _____ is a list of balances extracted from the ledger, containing final balance of each ledger account.
- a) Balance sheet
 - b) Chart of accounts
 - c) Profit & loss account
 - d) **Trial balance**
336. After specific intervals, sum of sales journal is posted to the credit side of _____.
- a) **Sales account**
 - b) Total debtors account
 - c) Total creditors account
 - d) None of the given options
337. Which of the following is a book of original entries?
- a) Ledger
 - b) **Journal**
 - c) Balance sheet
 - d) Trial balance
338. Goods purchased on account increase:
- a) **Creditors**
 - b) Debtor
 - c) Revenues
 - d) Cash
339. In 'ledger folio' column of journal, _____ is written in which its effect was posted.
- a) Page number of the journal
 - b) Page number of the balance sheet
 - c) Closing balance of account
 - d) **Page number of the ledger**

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340. Which of the following is a source for preparation of a trial balance?

- a) Invoice
- b) Journal entry
- c) Journal
- d) Ledger

341. Which of the following is a part of owner's equity?

- a) Liabilities
- b) Inventory
- c) Accounts receivable
- d) Drawings

342. Commissions paid will fall under which of the following classification of accounts?

- a) Expenses
- b) Revenues
- c) Assets
- d) Liabilities

343. Income is recorded when earned either received or not according to:

- a) Cost accounting
- b) Management accounting
- c) Accrual accounting
- d) Cash accounting

344. Income is recorded when received either earned or not according to:

- a) Accrual accounting
- b) Management accounting
- c) Cost accounting
- d) Cash account

345. Expenses are reordered when incurred either paid or not according to

- a) Accrual Accounting
- b) Management accounting
- c) Coast accounting
- d) Cash accounting

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346. Expenses are recorded when paid either incurred or not according to:
- a) **Cash accounting**
 - b) Cost accounting
 - c) Management accounting
 - d) Accrual accounting
347. Which of the following account is/are 'debit' if "sold goods in credit to ABC Corporation for Rs. 8000 and for cash Rs.4000"?
- a) Sales account
 - b) Debtors account only
 - c) Cash account only
 - d) **Both debtors and cash accounts**
348. Which of the following account is/are 'credit' if "sold goods on credit to ABC Corporation for Rs. 8000 and for cash Rs.4000"?
- a) Debtors account
 - b) Cash account
 - c) **Sales account**
 - d) Both debtors and cash account
349. Goods purchased on cash increase:
- a) Creditors
 - b) Liabilities
 - c) **Expenses**
 - d) Cash
350. Which group of account is credited, when it is decreased?
- a) Assets and income
 - b) **Assets and expenses**
 - c) Assets and liability
 - d) Income and liability

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351. Which of the following account will be debited when we acquire building of Rs. 500,000 on cash?

- a) **Building account**
- b) Cash account
- c) Capital account
- d) Bank account

352. Which of the following accounts will be debited when we acquire building of RS 500,000 on credit?

- a) Bank account
- b) Cash account
- c) **Building account**
- d) Capital account

353. All of the below items are directly recorded by bank without intimating the business until the end of month except

- a) Bank charges
- b) Interest on over draft
- c) **Un presented cheque**
- d) Direct receipt

354. The inventory account falls under which of the following classification of accounts?

- a) Income
- b) Liability
- c) **Assets**
- d) Expenses

355. At the closing date of the period, the sum of purchase journal is credited to:

- a) Purchase account
- b) None of the given option
- c) **Total creditors account**
- d) Total debtors account

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356. Increase in liability can cause increase in:

- a) Receivables
- b) Expenses
- c) Profit
- d) Equity

357. Which of the following is TRUE regarding Discount allowed to a debtor?

- a) It is a cash receipt
- b) It is an expense
- c) It is an income
- d) It is a cash payment

358. Which of the following is true regarding a CONTRA Account?

- a) It is added into its original accounting head
- b) It is always written in balance sheet
- c) It is deducted from its original accounting head
- d) It is always written in income statement

359. Which of the following account is 'Credit' if "The owner has paid Rs.500 from the business for his personal use"?

360. Journal voucher is used to record transaction in-----

361. Which group of accounts is DEBITED, when it is increased?

Asset and expense accounts

362. Commission earned account will fall under which of the following classification of accounts?

Revenue Accounts

363. In a journal, transactions are recoded in_____.

Chronological order

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364. Which of the following best describes the meaning of 'give something to get something' in terms of money in business?

365. If the payment of transaction is made on purchases of goods, then the transaction is called:

Credit transaction

366. Income is recognized when earned either received or not according to: Excess

367. of expenses over income in a specified accounting period is called:

Loss

368. If the payment of transaction is postponed for specific future date on purchases of goods then the transaction is called

Cash transaction

369. Abbreviation Dr. is used in accounting for:

Debit

370. Which group of accounts is CREDITED, when it is decreased?

Assets & Expenses

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