

FINANCIAL ACCOUNTING

B.Com.

III Sem

MULTIPLE CHOICE QUESTIONS AND ANSWERS

- 1) The person who send the goods to the agent to be sold by him on commission is called
 - (a) Consignor
 - (b) Consignee
 - (c) Merchant
 - (d) None of these
- 2) The person to whom the goods are sent for sale on commission basis is called
 - a) Merchant
 - b) Consignor
 - c) Consignee
 - d) None of these.
- 3) The commission given by consignor to the consignee for taking additional risks of recovery of debts on account of sales made on credit is known as -----.
 - a) Over riding commission
 - b) Delcredre commission
 - c) Normal commission
 - d) None of these.
- 4) ----- is the statement sent by the consignee to the consignor regarding the sale of goods consigned.
 - a) Invoice
 - b) Bill
 - c) Account sales
 - d) None of these.
- 5) When goods are sent to the consignee- the journal entry passed
 - a) Consignment to a/c Dr.
To goods sent on consignment
 - b) Goods a/c Dr.
To consignment
 - c) Consignment a/c Dr.
To cash
 - d) None of these.
- 6) A shipment of goods by a manufacturer to an agent to be sold by him on commission basis on the risk and account of the former called -----.
 - a) Consigning
 - b) Consignment
 - c) Agreement
 - d) None of these.

7) What are the two types of losses of goods.

- a) Normal and abnormal losses
- b) Simple loss and pure loss
- c) Executive and execute loss
- d) None of these

8) ----- loss is due to the nature of goods consigned

- (a) Actual loss
- (b) Simple loss
- (c) Abnormal loss
- (d) Normal loss

9) Abnormal loss account should be transferred to -----.

- a) Profit and loss a/c
- b) Trading a/c
- c) Abnormal a/c
- d) None of these.

10) Pass entry for consignors expenses

- a) Consignment a/c Dr
 To Cash
- b) Consignment a/c Dr
 To credit
- c) Cash a/c Dr
 To consignee
- d) None of these.

11) Branches may be classified in to -----.

- (a) Inland branches and foreign branches
- (b) Account branches and proper branch
- (c) Main branch and subordinate branch
- (d) None of these

12) Capital investments for the branches are made by

- a) State office
- b) Central office
- c) Head office
- d) None of these.

13) Branches are opened to increase -----

- a) Sales
- b) Purchases
- c) Both sales and purchase
- d) None of these

14) Branches are units physically segregated from the main office called

- a) Sub registrar office

- b) Head office
 - c) Central Govt.
 - d) None of these.
- 15) Branches not keeping full system of accounting called-----
- a) Independent branches
 - b) Partial branches
 - c) Dependent branches
 - d) None of these
- 16) Branches keeping full system of accounting is called -----
- a) Dependent branches
 - b) Independent branches
 - c) Simple branches
 - d) None of these.
- 17) The accounts for the dependent branches are maintained only in the books of -----
- a) Head office
 - b) Sub office
 - c) Main office
 - d) None of these
- 18) It is a system of finding out the profit made by a head office at a branch by preparing an account called-----
- a) Profit & loss a/c
 - b) Trading a/c
 - c) Branch a/c
 - d) None of these.
- 19) The head office prepares branch account to find out ----- earned by branch
- a) Dividend
 - b) Revenue
 - c) Capital
 - d) Profit
- 20) The price of goods sent by head office to branch at a price higher than cost price called-----
- a) Invoice price
 - b) Actual price
 - c) Unloaded price
 - d) None of these.
- 21) ----- account is a practical means of controlling the stock at branch.
- a) Bank account
 - b) Branch account
 - c) Branch stock account
- 22) ----- is an account prepared to record all expenses at branch.
- a) Branch account
 - b) Expense account
 - c) Branch expense a/c
 - d) None of these.
- 23) -----Account is prepared with a view to ascertain the gross profit of branch.
- a) Branch account
 - b) Branch adjustment a/c
 - c) Branch expense a/c
 - d) None of these.
- 24) ----- account is prepared to exercise control over the branch cash.
- a) Branch account
 - b) Branch expense account
 - c) Branch cash account

- d) None of these.
- 25) ----- is one which has been sent by one party but not received by the other before the closing books of accounts.
- Item of transaction
 - Transit item
 - Credit transaction
 - None of these.
- 26) Transit items may either be ----- and -----.
- Cash and credit transit
 - Cash in transit & goods in transit
 - Credit and barter transit
 - None of these.
- 27) Transaction between branches are called-----
- Inter- branch transactions
 - Branch transaction
 - Internal transaction
 - None of these.
- 28) The head office prepares a combined balance sheet called -----
- Consolidated balance sheet
 - Balance sheet of branch
 - Head balance sheet
 - None of these.
- 29) The process of transferring items from branch books to the head office books and the preparation of consolidated balance sheet is called -----
- Incorporation of branch trial balance
 - Trial balance
 - Branch balance sheet
 - None of these.
- 30) ----- represents goods sent by head office to the branch or by the branch to the head office but not received by other
- Goods in transit
 - Cash in transit
 - Barter transit
 - None of these.
- 31) Which of these is accounting equation?
- $\text{Liability} = \text{Asset} + \text{Capital}$
 - $\text{Asset} = \text{Liability} - \text{Capital}$
 - $\text{Capital} = \text{Asset} + \text{Liability}$
 - $\text{Asset} = \text{Liability} + \text{Capital}$.
- 32) Debit aspect is known as -----and Credit aspect is known as -----.
- Receiving and giving
 - Liability and asset
 - Expense and Gains
 - Income and Expenses
- 33) Principal books of accounting is known as -----
- Journal
 - Profit and loss
 - Ledger
 - Balance sheet
- 34) Which book is known as total of debit and credit
- Balance sheet
 - Trial balance
 - Journal

- d) Ledger
- 35) Trading and profit and loss account is known as ----- statement.
- Income
 - Expense
 - Position
 - Revenue
- 36) Balance sheet is known as ----- statement
- Positional
 - Expense
 - Income
 - Expenditure
- 37) What is the equation of gross profit
- Opening stock +Purchase +Direct expense – Closing stock
 - Sales –Cost of goods sold
 - Sales returns –Cost of goods sold
 - Sales + Cost of goods sold
- 38) For what use are preparing profit and loss a/c
- To find out net profit or net loss
 - To find out gross profit or gross loss
 - To know closing stock
 - To determine the sales
- 39) Why use prepare trial balance
- To check arithmetical accuracy of a/c
 - To know the financial position
 - To know the gross profit
 - To know the capital of the firm
- 40) Which type of account are entered in profit & loss a/c
- Nominal account
 - Personal account
 - Real account
 - Other
- 41) Which type of account is entered in balance sheet
- Nominal
 - Real
 - Capital
 - Expense
- 42) Trading account is -----
- Statement
 - Positional a/c
 - Capital a/c
 - Account
- 43) Trading account show ----- incomes and losses
- Production
 - Sales
 - Manufacturing
 - Personal
- 44) Balance sheet show ----- and ----- of fund
- Incomes and losses
 - Sources and applications
 - Debit and Credit
 - Asset and liability
- 45) Outstanding expenses are those expenses which have become-----during the accounting year.

- a) Payable
- b) Payed
- c) Received
- d) Receivable

46) Bad debt shown in adjustment is known as

- a) Provision for bad debt
- b) Bad debt
- c) Further bad debt
- d) Net bad debt

47) Interest on drawings is charged on

- a) Asset
- b) Capital
- c) Inventory
- d) Drawing

48) Managers commission is calculated on -----.

- a) Gross profit
- b) Notional profit
- c) Net profit
- d) Sales

49) What is the journal entry of interest on capital

- a) Interest on capital a/c Dr To capital a/c
- b) Drawings a/c Dr To interest on drawings
- c) Profit & loss a/c Dr To discount Debtors
- d) Capital a/c Dr To Interest on capital.

50) Which of the following are not current asset

- a) Salary paid in advance
- b) Inventory
- c) Preliminary expense
- d) Temporary investment

51) Prepaid expenses is ----- to the business

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

52) Adjustment given in the ----- is known as hidden adjustment

- a) Trial balance
- b) Profit & loss a/c
- c) Trading
- d) Ledger

53) According to ----- concept it is assured the business will last for long time

- a) Accounting entity concept
- b) Going concern
- c) Money measurement concept
- d) Dual aspect principal

54) Which principal is known as basic principal of accounting

- a) verifiable objective principal
- b) matching principal
- c) Dual aspect principal
- d) Materiality principal

55) Which principal have separate entity

- (a) Going concern concept
- (b) Money measurement concept
- (c) Accounting period concept
- (d) Accounting entity concept

56) In which principle we say that if depreciation is charged on fixed installment basis it should be

Done year after year

- a) Materiality concept
- b) Consistency concept
- c) Conservatism concept
- d) Time line principle

57) In which principle transaction and events are recorded in the books of account and presented in the financial statement in accordance with their substance and not legality.

- a) Substance over legal form
- b) Time line principle
- c) Materiality principle
- d) Consistency principle

58) Capital receipts will not affect ----- and -----a/c

- a) Trading & profit & loss a/c
- b) Trading account
- c) Profit and loss a/c and balance sheet
- d) Trading a/c and trial balance

59) On which condition we made adjustment for closing stock as well as opening stock in the purchase account

- a) By buying credit purchase
- b) By buying
- c) Adjusted purchases
- d) On installment basis

60) Amount received during the course of trading operations are called

- a) Capital receipt
- b) Revenue expenditure
- c) Capital expenditure
- d) Revenue receipt

61) ----- is the expenditure of revenue nature

- a) Contingent liability
- b) Capital expenditure
- c) Revenue expenditure
- d) Deferred revenue expenditure

62) Expenditure incurred during one year known as

- a) Contingent liability
- b) Capital expenditure
- c) Revenue expenditure

d) Capital receipt

63) Any amount spend on increasing the earning capacity of a business is known as

- a) Contigent liability
- b) Capital expenditure
- c) Revenue expenditure
- d) Capital receipt

64) The amount set apart from profit for future is known as

- a) Reserve
- b) Capital a/c
- c) Depreciation a/c
- d) Cash in hand

65) If the goods are drawn by the proprietor for personal use, the amount should deduct from -----
----- and add to the

- a) Purchase and drawings
- b) Sales and capital
- c) Drawings and cash in hand
- d) Cash in hand and stock

66) Adjustment given in trial balance is known as -----

- a) Hidden adjustment
- b) Partly adjustment
- c) Adjustment
- d) Provision for discount on debtors

67) Interest is charged on drawings made by the proprietor it is gain to the -----

- a) Proprietor
- b) Employee
- c) Other
- d) Business

68) Any irrecoverable portion of sundry debtors is known as

- a) Bad debt
- b) Further bad debt
- c) Provision for bad debt
- d) Provision for doubtful debts

69) Which one of these are not the function of account

- a) Recording
- b) Classifying
- c) Summerising
- d) Statement

70) AICPA Means

- a) American Institute of Certified Public Accountants
- b) American Institute of Campus Prediction Ability
- c) American Intellectual of Certified Public Accountants

d) American Institute of Certified Person Account

71) The modern system of accounting owes to -----

- a) AICPA
- b) Luca Pacioli
- c) GAAP
- d) None of these

72) In which method trial balance is prepared with the balance of ledger account

- a) Total amount Method
- b) Balance Method
- c) Grouping
- d) Marshalling

73) Which one of these not shown in trading account

- a) Wages
- b) Octroi
- c) Closing stock
- d) Carriage outward

74) Which one of these not shown on profit & loss a/c

- (a) Rent
- (b) Bad debt
- (c) Wages
- (d) Salaries

75) Which one is list of all account balances

- a) Balance sheet
- b) Ledger
- c) Profit and loss a/c
- d) Trial balance

76) Rent paid, salary paid which type of expenditure

- a) Capital expenditure
- b) Revenue expenditure
- c) Deferred revenue expenditure
- d) Capital receipt

77) Liability for partly paid investment what is this

- a) Capital expenditure
- b) Revenue expenditure
- c) Deferred revenue expenditure
- d) Contingent liability

- 78) The amount of reserve deducted from the -----
- a) Gross profit
 - b) Managers commission
 - c) Net profit
 - d) None of these
- 79) Interest on capital is credited to-----a/c
- a) Capital a/c
 - b) Proprietors a/c
 - c) Combine a/c
 - d) Interest on capital a/c
- 80) Patent Rights account is a ----- account
- a) Real
 - b) Personal
 - c) Nominal
 - d) Fictitious
- 81) Expand AICPA
- (a) American Institute of Certified Public Accountants
 - (b) American Institute of Corporate Public Account
 - (c) Accounting Institutions of Conventions Public Account.
 - (d) None of these.
- 82) Recording of financial transactions is done in -----
- a) Books
 - b) Journal
 - c) Trial balance
 - d) None of these.
- 83) The person who introduced double entry principle -----.
- a) Luca Pacioli
 - b) William
 - c) Luca's
 - d) None of these.
- 84) ----- is prepared at the end of the period to show the financial position of business
- a) Profit and loss account
 - b) Balance sheet
 - c) Trial balance
 - d) None of these
- 85) A person who owes money to the business is a -----
- a) Debtor
 - b) Creditor
 - c) Investor
 - d) None of these
- 86) Payment of monthly rent to land lord is -----
- a) Economic event
 - b) Non economic event
 - c) Substantial event
 - d) None of these.
- 87) ----- is to the original form of accounting
- a) Cost accounting
 - b) Management accounting

- c) Financial accounting
 - d) None of these
- 88) ----- is an example of fixed asset
- a) Receivables
 - b) Stock
 - c) Land and Building
 - d) None of these.
- 89) The term ----- denotes the cost of services and things used for earning revenue
- a) Income
 - b) Expense
 - c) Loss
 - d) None of these.
- 90) A ----- is a person to whom business occurs money
- a) Creditor
 - b) Debtor
 - c) Proprietor
 - d) None of these.
- 91) ----- denotes goods bought for sale
- a) Sales
 - b) Purchases
 - c) Expenses
 - d) None of these.
- 92) ----- is an example of wasting asset
- a) Land
 - b) Fixed asset
 - c) Stock
 - d) Mines
- 93) Assets acquired for long term use in business called-----
- a) Current asset
 - b) Fixed asset
 - c) Wasting asset
 - d) None of these.
- 94) Things which are purchased by business for resale called-----.
- a) Goods
 - b) Closing stock
 - c) Lease housing
 - d) None of these.
- 95) ----- is the major source of revenue of any business
- a) Purchase
 - b) Sale
 - c) Dividend
 - d) None of these.
- 96) A ----- transaction is one where in items are exchanged for other items.
- a) Cash
 - b) Credit
 - c) Barter
 - d) \None of these.
- 97) ----- represents the amount invested by owner in to business
- a) Cash
 - b) Stock
 - c) Capital
 - d) None of these.

- 98) ----- Expenditure is incurred to maintain the business or to keep the assets on good working condition
- Income
 - Dividend
 - Revenue
 - None of these.
- 99) Value of goods remaining at the end of a period
- Opening stock
 - Closing stock
 - Stock
 - None of these.
- 100) Return of goods to supplier which are defective called -----.
- Return outwards/purchases returns
 - Sales return
 - Outstanding return
 - None of these.
- 101) ----- is the material things or possessions of the business
- Asset
 - Liability
 - Capital
 - None of these.
- 102) Assets having no physical existence but are represented by rights in certain things are called-----
- Tangible asset
 - Intangible asset
 - Contingent asset
 - None of these
- 103) Assets which have no real value but are shown in books of account for technical reasons are called
- Fixed asset
 - Current asset
 - Fictions asset
 - None of these.
- 104) Assets having definite shape and physical existence are called -----
- Intangible asset
 - Current asset
 - Fictions asset
 - Tangible asset
- 105) ----- is the gross decrease in the assets or gross increase in liabilities.
- Loss
 - Revenue
 - Profit
 - Expense
- 106) Amount of cash or other assets withdrawn by owner for his personal purpose called -----
- Capital
 - Drawing
 - Withdrawal of cash
 - None of these.
- 107) Assets which are held for a short period called -----

- a) Fixed asset
- b) Contingent asset
- c) Current asset
- d) None of these.

108) ----- concept facilitates recording of business events on a uniform basis.

- a) Going concern
- b) Accounting entity
- c) Money measurement
- d) None of these.

109) The agreement between business house and the owner of the right is called

- (a) Patent Right
- (b) Royalty agreement
- (c) Mining agreement
- (d) Copy right

110) Who is the person take property on the lease agreement

- a) Lessor
- b) Lessee
- c) Payee
- d) None of these

111) Who is the person tends the ownership right of property

- a) Lessor
- b) Lessee
- c) Payer
- d) None of these

112) Mining royalty and patent royalty are payable on the basis of -----

- (a) Output
- (b) Sales
- (c) Output and sale
- (d) None of these

113) Which are the two persons in lease agreement

- a) Lessor and Lessee
- b) Payer and payee
- c) Drawer and drawee
- d) None of these

114) What type royalty to payable on the basis of sale

- a) Mining royalty
- b) Patent royalty
- c) Copy right royalty
- d) None of these

115) The amount of royalty payable is an expense to the lessee and is ----- in the royalty account

- a) Credited
- b) Debited
- c) Deducted
- d) None of these

116) Recouping of short working arise in -----.

- a) Future
- b) Present
- c) Past
- d) None of these

117) In which stage short working arise

- a) Initial stage of production
- b) Sales
- c) Buying of raw materials
- d) Last stage of production

118) What is short working?

- a) Excess of minimum rent over actual royalty
- b) Below of minimum rent
- c) Equal to minimum rent
- d) Above to royalty

119) What is the another term of minimum rent

- a) Fixed and copy right
- b) Dead rent and fixed rent
- c) Patent and copy right
- d) Fixed and dead rent

120) Excess of minimum rent over actual royalty is termed as -----

- a) Short working
- b) Royalty suspense
- c) Deadrent
- d) Fixed Rent

121) Royalty is an -----

- a) Agreement
- b) Contract
- c) Mutual action
- d) None of these

122) What is the two type of recouping of short working

- a) Restricted and unrestricted
- b) Sales and output
- c) Dead rent and fixed rent
- d) None of these

123) The right may be enjoyed throughout the period of lease agreement is called

- a) Restricted

- b) Unrestricted
- c) Dead rent
- d) Fixed rent

124) The lessee may be permitted to recoup short working for a few years only is called

- (a) Unrestricted
- (b) Restricted
- (c) Minimum rent
- (d) None of these

125) Choose the correct one

- a) Lessor a/c Dr
 To minimum rent
- b) Minimum rent a/c Dr
 To lessor
- c) Short working a/c Dr
 To profit loss a/c
- d) None of these.

126) Write the entry of short working written off

- a) Short working a/c Dr
 To profit & loss
- b) Profit & loss a/c Dr
 To royalty
- c) Profit and loss a/c Dr
 To short working
- d) None of these.

127) Find out the entry of royalty transferred to profit and loss account

- a) Royalty receivable a/c Dr
 To profit & loss a/c
- b) Profit and loss a/c Dr
 To lessee a/c

c) Short working a/c Dr

To profit & loss

e) None of these.

128) Find the entry of amount paid to landlord

(a) Bank a/c Dr
To lessee a/c

b) Bank a/c
To lessor a/c

c) Lessor a/c Dr
To bank a/c

d) None of these.

129) Royalty based on sale is a selling expenditure and such should be transferred to ----- account.

- a) Profit and loss a/c
- b) Capital account
- c) Cash account
- d) None of these.

130) Choose correct one

- a) Minimum royalty
- b) Mining royalty
- c) Lessee is landlord
- d) None of these.

131) Pick up the entry for the amount of royalty

a) Royalty a/c Dr
To Bank a/c

b) Lessor a/c Dr
To royalty a/c

c) Royalty a/c Dr
To lessor a/c

d) None of these.

132) At what stage short working happens.

- (a) Initial stage of production
- (b) Last stage of production
- (c) Production
- (d) None of these.

133) Books of accounts which are not maintained according to double entry system are known as -----.

- a) Complete records
- b) Incomplete records
- c) Single records
- d) None of these.

134) The system of keeping incomplete record is known as

- a) Single entry
- b) Double entry
- c) Dual entry
- d) None of these.

135) ----- system is mixture of double, single and no entry.

- a) Double entry
- b) Single entry
- c) Equal entry
- d) None of these.

136) In single entry system the capital in the beginning of the year is ascertained from.

- a) Cash account
- b) Total debtors account
- c) Total creditors account
- d) Opening balance sheet.

137) In single entry system sales are computed by adding

- a) Cash sales and cash received from debtors
- b) Cash sales and credit sales
- c) Credit sales and cash received from debtors.
- d) None of these.

138) Cash paid to creditors under single entry system can be ascertained from

- a) Total debtors account
- b) Total creditors account
- c) Balance sheet
- d) None of the above.

139) Under single entry system, the credit sales is computed from the

- a) Total creditors account
- b) Total debtors account
- c) Cash account
- d) Balance sheet at the end of the year.

140) Under the conversion method of single entry system, total debtors account is prepared to find out

- a) Total sales
- b) Total purchase
- c) Credit purchase
- d) Credit sales.

141) Under the conversion method of single entry system total creditors account is prepared to find out

- a) Credit purchase

- b) Cash purchase
- c) Total purchase
- d) Net purchase

- 142) In bills receivable account in single entry system opening balance, closing balance and cash received against bills receivable is given to you, the balance in bills receivable account will then show.
- a) Credit sales
 - b) Credit purchases
 - c) Bills receivable received during the year
 - d) None of these
- 143) Bills payable during the year transferred to -----account
- a) Debtors a/c
 - b) Creditors a/c
 - c) Bills payable a/c
 - d) None of the above
- 144) Under the net worth method of single entry the net profit is calculated
- a) From the trading and profit and loss account
 - b) By comparing capital at the beginning and capital at the end
 - c) By statement of affairs
 - d) None of these
- 145) Under the single entry system generally
- a) Only personal accounts are maintained
 - b) No account is kept
 - c) Only personal, cash and Bank accounts are maintained
 - d) All accounts are maintained.
- 146) A head office account prepared by an independent branch is purely -----account
- a) Nominal
 - b) Personal
 - c) Real
 - d) None of these
- 147) Under the net worth method of single entry the net profit is calculated as under:
- a) Capital in the beginning year- Capital at the end year
 - b) Capital at the end of year – Capital at the beginning year
 - c) Capital at the end of year + Drawings made during the year – fresh capital introduced during the year – Capital in the beginning of the year.
 - d) Capital at the end of year – Drawings made during the year + Fresh capital introduced during the year – Capital in the beginning year.
- 148) The balance of income, and expenditure a/c represents
- a) The cash balance on the date
 - b) Total cash receipts during the period
 - c) Total cash payments during the period
 - d) Excess of income over expenditure or vice versa.
- 149) Single entry system is defective because under his system the -----cannot be prepared
- a) Trial balance
 - b) Trading and profit and loss a/c
 - c) Balance sheet
 - d) All of the above
- 150) The single entry system cannot be adopted by
- a) Sole proprietorship

- b) Partnership concern
- c) Joint stock companies
- d) All of the above

- 151) Sales + Closing stock – Purchases – Gross profit
- a) Purchases returns
 - b) Sales returns
 - c) Cost of goods sold
 - d) Opening stock
- 152) Bills receivable that are dishonored are debited to
- a) Creditors a/c
 - b) Debtors a/c
 - c) B/R a/c
 - d) None of these.
- 153) The opening statement of affairs is usually prepared to arrive at the figure of
- a) Cash in the beginning
 - b) Capital in the beginning
 - c) Debtors
 - d) Profit during the year
- 154) Under the net worth method, the basis of ascertaining profit is the
- a) Difference between the liabilities on two dates
 - b) Difference between gross asset on two dates
 - c) Difference between capital assets on two dates
 - d) Increase in net worth before adjusting for drawings and additions to capital
- 155) Interim dividend is shown in
- a) P and L a/c
 - b) P and L appropriation a/c
 - c) Asset side of balance sheet
 - d) Liability side of balance sheet
- 156) The minimum share application money is
- a) Rs.5 per share
 - b) 5% of nominal value of shares
 - c) 10% of nominal value of shares
 - d) 20% of nominal value of shares.
- 157) Purchase for office furniture on account is recorded in
- a) Cash book
 - b) Purchase book
 - c) General journal
 - d) Journal proper
- 158) Bank account is a
- a) Personal account
 - b) Real account
 - c) Nominal account
 - d) None of these
- 159) Connection demands that accounting statements should disclose all material facts for the benefits of the users.
- a) Dual aspects
 - b) Full disclosure
 - c) Verifiable objectives
 - d) None of these

- 160) When a company issues shares to vendors of assets for consideration other than cash these are issued
- At par
 - At a discount
 - At a premium
 - Any of these
- 161) Cash paid to creditors can be computed from
- Bills payable a/c
 - Statement of affairs
 - Total debtors a/c
 - Total creditors a/c
- 162) Mark out the item of bills payable a/c that is transferred to the total creditors a/c
- Opening balance B/P
 - Closing balance of B/P
 - B/P during the year
 - None of the above
- 163) The opening balance of creditors can be ascertained either by preparing creditors a/c or
- Cash a/c
 - Opening balance sheet
 - Bills payable a/c
 - None of the above
- 164) The total debtors a/c is likely affected by
- Cash sales
 - Credit sales
 - B/R closing balance
 - All of the above
- 165) By which of the following will the cash a/c not be affected
- Cash sales
 - Cash received from debtors
 - Cash paid to creditors
 - Discount received
- 166) By which of the following will the total creditor a/c not to be affected
- Cash paid to creditors
 - Credit purchases
 - Bills payable issued
 - Opening balance of bills payable a/c
- 167) The opening statement of affairs is usually prepared to arrive at the figure of
- Cash in the beginning
 - Capital in the beginning
 - Debtors
 - Profit during the year.
- 168) Bill payable issued during the year is
- Debited to B/P a/c
 - Debited to creditors a/c
 - Credited to creditors a/c
 - None of the above.
- 169) Bills receivable that are dishonored are debited to
- Creditors a/c
 - Debtors a/c
 - B/R
 - None of these
- 170) When closing capital is more than opening capital it means

- a) Profit
- b) Loss
- c) Withdrawal of capital
- d) None of these

- 171) In case of incomplete records a ----- picture of all transactions will be available.
- a) Full
 - b) Complete
 - c) Partial
 - d) None of these
- 172) Excess of opening capital over closing capital denotes
- a) Profit
 - b) Loss
 - c) Additional capital
 - d) Withdrawal capital
- 173) The amount of cash received from debtors can be computed from either from the cash book
- a) Bills receivable a/c
 - b) Debtors a/c
 - c) Balance sheet
 - d) None of these
- 174) Statement of affairs is prepared to ascertain
- a) Profit
 - b) Loss
 - c) Capital
 - d) Asset
- 175) Accounts from incomplete records are often called as ----- system.
- a) Single entry
 - b) Double entry
 - c) Single account
 - d) Multiple entry
- 176) Incomplete records are maintained usually by a
- a) Company
 - b) Sole trader
 - c) Govt.
 - d) Nonprofit organization
- 177) Profit as per accounts from incomplete records may be construed as equivalent of
- a) Excess of asset over liabilities at close of period
 - b) Excess of capital at the end over the capital at beginning
 - c) Excess of asset over liabilities at the commencement of period
 - d) Excess of capital at the beginning over capital at the end.
- 178) What statement we prepare to know the capital
- a) Statement of affairs
 - b) Statement of capital
 - c) Statement of balance sheet
 - d) None of these
- 179) Single entry system is a mixture of-----
- a) Double entry
 - b) No entry
 - c) Single entry
 - d) All the above
- 180) Only personal accounts are kept in ----- system

- a) Pure single entry system
- b) Simple single entry system
- c) Quasi single entry system
- d) None of these

181) Personal and cash accounts are kept in ----- system

- a) Pure single entry system
- b) Quasi single entry system
- c) Simple single entry system
- d) None of these

182) ----- is a un systematic, un scientific and incomplete system

- a) Single entry system
- b) Double entry system
- c) Nominal entry
- d) None of these.

183) Profit is only an estimate in this system

- a) Nominal system
- b) Double entry system
- c) Single entry system
- d) None of these.

184) Expand GAAP

- (a) Generally accepted accounting principles
- (b) Generally accepted account programmers
- (c) General acceptable assumption practices
- (d) None of these

185) Accounting concepts include certain basic -----

- a) Account
- b) Transactions
- c) Assumptions
- d) None of these

186) The comparison of one accounting period with that of the past is possible when one of the concepts given is followed

- a) Cost
- b) Consistency
- c) Going concern
- d) Matching

187) Contingent liabilities are shown as a foot note in the balance sheet as per ----- accounting principle

- a) Full disclosure
- b) Objectivity
- c) Materiality
- d) Consistency

188) State the principle:- which assumed the business will last fore a long time

- a) Going concern
- b) Materiality
- c) Consistency
- d) Matching

189) Transactions involving money or money's worth will be recorded in the books called -----

- a) Cost
- b) Matching
- c) Money measurement

- d) Consistency
- 190) Adjustment made for outstanding expenses, accrued incomes etc. in the financial statements is due to the ----- principle
- Matching
 - Business entity
 - Materiality
 - Consistency
- 191) According to ----- concept it is assumed every aspects as dual aspect or effects.
- Cost
 - Materiality
 - Dual aspect
 - None of these
- 192) Accounting equation is developed with the help of
- Money measurement concept
 - Dual aspect concept
 - Revenue realization concept
 - Historical cost concept
- 193) Depreciation accounting is
- IAS 1
 - IAS 2
 - IAS 3
 - IAS 4
- 194) revenue from sale is realized when
- sale is made
 - Order is placed
 - Cash is received
 - Production is completed
- 195) Accounting principles are based on
- Convenience in accounting
 - Objectivity
 - Subjectivity
 - Practicability
- 196) Normally assets are recorded at cost price. This is because of
- Going concern concept
 - Historical concept
 - Both concept
 - None of these
- 197) Accounting entity concept is known as-----
- Materiality concept
 - Prudence concept
 - Business entity concept
 - None of these
- 198) ----- principle requires that all transactions should be recorded at their acquisition cost
- Historical cost
 - Dual aspect
 - Accounting period
 - None of these
- 199) ----- principle states that costs or expenses of a business of an accounting period are matched with the revenue of that period in order to find profit or loss
- Accounting period
 - Revenue realization

- c) Veritable objective
 - d) Matching
- 200) ----- is also known as objective evidence concept
- a) Revenue realization
 - b) Dual aspect
 - c) Verifiable objective
 - d) None of these

ANSWERS

1.A	2.C	3.B	4.C	5.A	6.B	7.A	8.D	9.A	10.A	11.A	12.C
13.A	14.B	15.C	16.B	17.A	18.C	19.D	20.A	21.C	22.C	23.B	24.C
25.B	26.B	27.A	28.A	29.A	30.A	31.D	32.A	33.C	34.B	35.A	36.A
37.B	38.A	39.A	40.A	41.B	42.D	43.C	44.B	45.A	46.C	47.D	48.B
49.A	50.C	51.C	52.A	53.B	54.C	55.D	56.B	57.A	58.A	59.C	60.D
61.C	62.C	63.B	64.A	65.A	66.A	67.D	68.A	69.D	70.A	71.B	72.B
73.C	74.C	75.D	76.B	77.D	78.C	79.A	80.A	81.A	82.B	83.	84.B
85.A	86.A	87.C	88.C	89.B	90.A	91.B	92.D	93.B	94.A	95.B	96.C
97.C	98.C	99.B	100.A	101.A	102.B	103.C	104.D	105.A	106.B	107.C	108.C
109.B	110.B	111.A	112.A	113.A	114.C	115.B	116.A	117.A	118.A	119.B	120.A
121.A	122.A	123.B	124.B	125.B	126.C	127.A	128.C	129.A	130.B	131.C	132.A
133.B	134.A	135.B	136.D	137.B	138.B	139.B	140.D	141.A	142.C	143.B	144.B
145.C	146.B	147.C	148.D	149.D	150.C	151.D	152.B	153.B	154.C	155.B	156.B
157.C	158.A	159.B	160.D	161.D	162.C	163.B	164.B	165.D	166.D	167.B	168.B
169.B	170.A	171.C	172.B	173.B	174.C	175.A	176.B	177.B	178.A	179.D	180.A
181.C	182.A	183.C	184.A	185.C	186.B	187.A	188.A	189.C	190.A	191.C	192.B
193.D	194.A	195.D	196.C	197.C	198.A	199.D	200.C				