

1. Financial position of a business is ascertained on the basis of
 - a. Journal
 - b. Ledger
 - c. Balance sheet
2. Who is considered to be the internal uses of the financial information?
 - a. creditors
 - b. employee
 - c. customer
3. Double-entry book keeping first emerged in Italy in the _ century.
 - a. 13th
 - b. 14th
 - c. 18th
4. ___ of a business have to be repaid in due time.
 - a. Asset
 - b. Sales
 - c. Liabilities
5. The concept which assume that a business will last indefinitely is
 - a. Business entity
 - b. Going concern
 - c. Periodicity
6. GAAPS are:
 - a. Generally Accepted Accounting Policies
 - b. Generally Accepted Accounting Principles
 - c. None of these
7. The profounder of double entry system of book-keeping is
 - a. J.R.Batlibai
 - b. Luca pacioli
 - c. Old kesal
8. Asset = _____.
 - a. Capital + Liabilities
 - b. Capital=Liability
 - c. Capital + Creditors
9. A firm has assets of Rs.1,00,000 and the external liabilities of Rs.60,000. Its capital would be _____.
 - a. 1,60,000
 - b. 60,000
 - c. 40,000
10. Real a/c deals with
 - a. Individual persons
 - b. Assets
 - c. Income and gains
11. Prepaid rent is a
 - a. Nominal a/c
 - b. Personal a/c
 - c. Representative personal a/c
12. Goods worth Rs.50 given as charity should be credited to
 - a. charity a/c
 - b. sales a/c
 - c. purchase a/c
13. Source documents are the
 - a. Business documents
 - b. Proof of business transactions
 - c. Business deals
14. J.F. Means
 - a. Ledge page number
 - b. Journal page number

- c. Order number
15. The amount brought into the business by the proprietor should be credited to
 - a. capital a/c
 - b. cash a/c
 - c. drawings a/c
16. Match the followings:

(i) List I	List II
Ledger	Original entry
Journal Folio	L.F
Ledger Folio	J.F
Journal	Principal book

 - a. 1 2 3 4
 - b. 3 4 1 2
 - c. 4 3 2 1
17. Ledger is a book of _____.
 - a. Original entry
 - b. Final entry
 - c. All cash transactions
18. Trial balance is a _____.
 - a. statement
 - b. ledger
 - c. journal
19. Trial balance is prepared _____.
 - a. at the end of the year
 - b. on a particular date
 - c. for a year
20. The trial balance contains the balances of _____.
 - a. only personal a/c
 - b. only real a/c
 - c. all accounts
21. Suspense a/c in the trial balance is entered in the _____.
 - a. trading a/c
 - b. profit and loss a/c
 - c. balance sheet
22. ___ is prepared on specific data.
 - a. Trial balance
 - b. Ledger
 - c. Journal
23. Sales book is used to record _____.
 - a. All cash sales of goods
 - b. All credit sales of goods
 - c. All sales of goods'
24. Purchase of fixed asset on credit basis is recorded in _____.
 - a. purchase book
 - b. sales book
 - c. journal proper
25. Closing entries are recorded in _____.
 - a. journal proper
 - b. cash book
 - c. ledger
26. Purchase book does not keep the record of purchase of _____.
 - a. Assets
 - b. Goods
 - c. Liabilities

27. A bill is drawn on 1.4.2004 for 2 months, its due date is ____.
 a. 1.6.2004 b. 4.6.2004 c. 3.6.2004
28. The cash book records of ____.
 a. All cash receipts b. All cash payments c. Both a & b
29. The balance in the petty cash book is ____.
 a. An expense b. A profit c. An asset
30. Which type of discount is not recorded in the cash book?
 a. trade discount b. cash discount c. discount allowed
31. A Bank reconciliation statement is prepared by ____.
 a. bank b. business c. debtor to the business
32. A bank statement is a copy of ____.
 a. Cash column of the cash book
 b. Bank column of the cash book
 c. A customers a/c in the bank book
33. A time gap between the deposit of the ____ and the collection by the bank.
 a. cash b. cheques c. petty cash
34. A transaction not recorded at all is known as an error of ____.
 a. principle b. complete omission c. duplication
35. Errors not affecting the agreement of trial balance are ____.
 a. errors of principle
 b. errors of overcasting
 c. errors of undercasting
36. Salary paid to manager must be debited to ____.
 a. salary a/c b. manager a/c c. none of these
37. Depreciation is provided on ____.
 a. fixed assets b. current assets c. outstanding charges
38. A depreciable asset may suffer obsolescence due to ____.
 a. passage of time b. wear and tear c. technological changes
39. Original cost=Rs.1,00,000; Estimated Life=5years; expected salvage value=2000. Depreciation for 3rd year as per straight line method is ____.
 a. 19,600 b. 12,800 c. 20,000
40. Interest on bank deposit is ____.
 a. capital receipt b. revenue receipt c. capital expenditure
41. Revenue expenditure is intended to benefit ____.
 a. past period b. future c. current period
42. The loss which is not incurred in the normal course of business is ____.
 a. capital loss b. revenue loss c. both A & B
43. Net profit of the business increases the ____.
 a. Drawings b. Capital c. Debts
44. Balance sheet shows the ____ of the business.
 a. profitability b. financial position c. sales
45. Drawings must be deducted from ____.
 a. net profit b. capital c. sales
46. Net profit is ____.
 a. debited to capital a/c
 b. credited to capital a/c
 c. debited to drawing a/c
47. The unsold goods in stock at the end of the accounting period is termed as ____.
 a. opening stock b. closing stock c. average stock
48. An example of output device is ____.
 a. mouse b. printer c. keyboard
49. Which one is not a component of computer system?
 a. input b. data c. output unit
50. Computerised accounting has become cheaper as compared to
 a. capital b. labour c. human labour