

1. \_\_\_\_ of a business have to be repaid in due time.
  - a. Asset
  - b. Liabilities
  - c. Sales
2. The concept which assume that a business will last indefinitely is
  - a. Going concern
  - b. Business entity
  - c. Periodicity
3. Financial position of a business is ascertained on the basis of
  - a. Journal
  - b. Ledger
  - c. Balance sheet
4. GAAPS are:
  - a. Generally Accepted Accounting Principles
  - b. Generally Accepted Accounting Policies
  - c. None of these
5. The profounder of double entry system of book-keeping is
  - a. J.R.Batlibai
  - b. Luca Pacioli
  - c. Old Keshav
6. Asset = \_\_\_\_\_.
  - a. Capital=Liability
  - b. Capital + Liabilities
  - c. Capital + Creditors
7. Who is considered to be the internal uses of the financial information?
  - a. creditors
  - b. customer
  - c. employee
8. 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. 40,000
  - c. 60,000
9. Double-entry book keeping first emerged in Italy in the \_\_\_\_ century.
  - a. 13<sup>th</sup>
  - b. 14<sup>th</sup>
  - c. 18<sup>th</sup>
10. Real a/c deals with
  - a. Individual persons
  - b. Income and gains
  - c. Assets
11. Prepaid rent is a
  - a. Nominal a/c
  - b. Personal a/c
  - c. Representative personal a/c
12. Errors not affecting the agreement of trial balance are \_\_\_\_\_.
  - a. errors of overcasting
  - b. errors of undercasting
  - c. errors of principle
13. Goods worth Rs.50 given as charity should be credited to
  - a. charity a/c
  - b. purchase a/c
  - c. sales a/c
14. J.F. Means
  - a. Ledger page number
  - b. Journal page number

15. Match the followings:

(i) List I

List II

Ledger

Original entry

Journal Folio

L.F

Ledger Folio

J.F

Journal

Principal book

(i) (ii) (iii) (iv)

a. 1 2 3 4

b. 4 3 2 1

c. 3 4 1 2

16. Ledger is a book of \_\_\_\_.

a. Original entry

b. Final entry

c. All cash transactions

17. The amount brought into the business by the proprietor should be credited to

a. cash a/c

b. drawings a/c

c. capital a/c

18. The trial balance contains the balances of \_\_\_\_.

a. only personal a/c

b. only real a/c

c. all accounts

19. Suspense a/c in the trial balance is entered in the \_\_\_\_.

a. balance sheet

b. trading a/c

c. profit and loss a/c

20. Trial balance is a \_\_\_\_.

a. ledger

b. statement

c. journal

21. Closing entries are recorded in \_\_\_\_.

a. cash book

b. journal proper

c. ledger

22. Trial balance is prepared \_\_\_\_.

a. at the end of the year

b. on a particular date

c. for a year

23. Source documents are the

a. Business documents

b. Business deals

c. Proof of business transactions

24. Sales book is used to record \_\_\_\_.

a. All credit sales of goods

b. All cash sales of goods

c. All sales of goods'

25. Purchase of fixed asset on credit basis is recorded in \_\_\_\_.

a. purchase book

b. journal proper

c. sales book

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