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MGT101 MEGA QUIZ FILE FOR MIDTERM

Question: In accounting or business terms, any dealing between two persons involving money or a valuable

A: Barganing

B: Transaction

C: Exchange

D: Barter

Question: What is a Budget?

A: Plan of income

B: Plan of expenses

C: Plan of other financial operation

D: all of the given

Trading one commodity or service for another commodity or service is called

A: Barter trading

B: Trading

C: Transactions

D: Exchange

Question: Which are type of Business Organizations?

A: Sole Proprietorship

B: Partnership

C: Joint Stock Company

D: all of above

Question: The simplest form of business organization, which is owned and controlled by one man is

A: Sole Proprietorship

B: Partnership



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C: Legal Entity

D: Easy Dissolution

Question: Which is not feature of partnership

A: Ownership

B: Profit and Loss Distribution

C: Unlimited Liability

D: Transfer of Rights

Question: A company is an incorporated association of persons formed usually for the pursuit of some com

A: Partnership

B: Sole Proprietorship

C: Joint Stock Company

D: All of the given

Question: Which is feature of Joint Stock Company

A: Management

B: Unlimited Liability

C: Profit and Loss Distribution

D: Separate Legal Entity

Question: The maintenance of daily record of all financial transactions in such a manner that it would help

A: Book keeping

B: Financial accounting

C: Daily record

D: none of the above

Question: Budget is a plan of income, expenses & other financial operation for a future period.

A: True

B: False

C: --

D: --

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Question: Any event or item that cannot be translated in terms of money ---------- in books of accounts.

A: is recorded

B: is not recorded

C: is recorded or not recorded

D: ---

Lecture 2

Question: Which is Commercial Organizations (Profit Oriented)

A: Sole proprietor

B: Trusts

C: Societies

D: NGO's

Question: Which one of the following is Non-Commercial Organizations

A: Societies

B: Partnership

C: Limited companies

D: Sole proprietor

Question: Problems faced in maintaining Diary of Transactions

A: How will we come to know the income and expenses from various sources?

B: We know which product is selling better and which is not.

C: large data

D: goods sold on creditb

Question: Commercial Accounting is done through a system that is known as ----------.

A: Single entry book keeping

B: Double entry book keeping

C: Both A & B

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D: None of the given

Question: This system records only cash movement of transactions and that too up to the extent of recordin transactions is--------

A: Cash accounting.

B: Single entry accounting

C: Double entry book keeping

D: A & B

Question: Whatever money or resources from ones' own pocket are put in a business is referred to as-------

A: Gain

B: Profit

C: Cpaital

D: Drawings

Question: ---------- is like a backbone of any business

A: Profit

B: Creditors

C: Capital/investment

D: Debts

Question: The main objective of a any business to earn ----------

A: maximum profit

B: minimum profit

C: decrease in creditors

D: selling goods

Question: The good reputation also has a value and becomes part of investment in business is ----------

A: Goodwill

B: Resources

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C: incone

D: none of above

Question: NGO's TrustsSocieties are the example of ----------

A: Commercial Organizations

B: Non-Commercial Organizations

C: Goodwill

D: none of above

Question: Which accounting system records both aspects of transaction i.e. receipt or payment and source c

A: Double entry book keeping

B: Single entry book keeping

C: book keeping

D: A & B

Question: The system records only cash movement and that too up to the extent of recording one aspect of

A: Single entry accounting

B: Double entry book keeping/

C: Dairy record

D: Commercial accounting.

Question: The time of the proprietor or business persons spent on the business is also a business cost and m business in addition to the profit

A: True

B: False

C: -----

D: -----

Question: Is Cash in Hand our Profit?

A: Yes

B: No

C: ----

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D: ----

Question: Which is the correct quation for calculation of profit

A: Cash Sale-Cash Payment + (Credit Sale+Credit Expense)

B: Cash Sale-Cash Payment - (Credit Sale-Credit Expense)

C: Cash Sale-Cash Payment + (Credit Sale-Credit Expense)

D: Cash Sale+Cash Payment + (Credit Sale-Credit Expense)

Lecture 3

Question: The accounting system in which events are recorded when actual cash / cheque is received or pai

A: Accounting

B: Cash Accounting

C: Accrual Accounting

D: Dairy accounting

Question: The accounting system in which events are recorded as and when they occur

A: Cash Accounting

B: Accrual Accounting

C: Cash Accounting and Accrual Accounting

D: Diary Accounting

Question: The value of goods or services that a business charges from its customers

A: Cash

B: Account receivable

C: Income

D: Profit

Question: The costs incurred to earn revenue

A: Investment

B: Expenses

C: Liability

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D: none of above

Question: The amount by which the income exceeds expenses in a specific time period.

A: Profit

B: Net Profit

C: Profit or Net Profit

D: Loss

Question: The formula for calculating net profit is

A: Net Profit = Income + Expenses

B: Net Profit =Expenses + income

C: Net Profit =Expenses – income

D: Net Profit = Income – Expenses

Question: Calculate net income Expenses 1200 sales 10000 Purchases 8000

A: 10000

B: 2000

C: 800

D: 8000

Question: Calculate net income Purchases 150000 Expenses 55000 Sales 200000

A: 5000

B: 145000

C: 50000

D: (5000)

Question: The two main classes of expenses are ----------

A: Capital and Revenue Expenses

B: Capital or Revenue Expenses

C: Capital and Revenue

D: none of above

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Question: In accounting the expenses that provide benefit immediately are called

A: Capital Expenses

B: Revenue Expenses

C: Capital Expenses and Revenue Expenses

D: Revenue Expenses & Capital Expenses

Question: Those expenses whose benefit last for a longer period are called --------

A: Revenue Expenses

B: Both Capital and Revenue Expenses

C: Capital Expenses

D: none of them

Question: ---------- are the debts and obligations of the business.

A: cash

B: Liabilities

C: creditor

D: all of above

Question: payment of utility bill is an example of --------

A: Capital and Revenue Expenses

B: Revenue Expenses

C: Capital Expenses

D: none of above

Question: cost of good will is a ----------

A: Capital and Revenue Expenses

B: Revenue Expenses

C: Capital Expenses

D: Capital or Revenue Expenses

Question: salaries of (last month) are not paid by the business

A: Liability

B: Capital and Revenue Expenses

C: Capital Expenses

D: furtre expenses

Lecture 4

Question: Teatment of the business independently from its owners is called the

A: independently business

B: separate business entity

C: business entity

D: none of them

Question: The accounting system that records both the aspects of transaction inbooks of accounts is called-

A: Single Entry Book-keeping

B: Double Entry Book-keeping

C: Single & Double Entry Book-keeping

D: all of above

Question: The account that receives the benefit is-----

A: Debit

B: Credit

C: cach

D: Debit and Credit

Question: the account that provides the benefit is

A: Debit

B: Debitor

C: Creditot

D: Credit

Question: Debit and Credit are two---------- Words

A: English

B: French

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C: Latin

D: none of above

Question: For every debit there is an equal credit.

A: Yes

B: No

C: --

D: --

Question: ---------- are the properties and possessions of the business.

A: Liabilities

B: Capital

C: Assets

D: all of above

Question: Assetcan be of ---------- types

A: 4

B: 5

C: 2

D: 3

Question: Fixed Assets and Current Assets are the types of ---------- assets

A: tangible

B: Intangible

C: both tangibleand Intangible

D: --

Question: Intangible Assets that have no physical existence

A: Yes

B: No

C: --

D: --

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Question: Right to receive money, Good will trade mark are the example of

A: Intangible Assets

B: tangible Assets

C: tangible and Intangible Assets

D: none of above

Question: Accounting Equation=

A: Assets = Capital - Liabilities

B: Assets = Capital + Liabilities

C: Assets =Liabilities - Capital

D: Assets - Capital + Liabilities

Question: Calculat Accounting equation from the following information Cash Rs.100,000 Building 50,000 Furniture 10,000 Vehicle 15,000 Cretitor 75000

A: 165000

B: 175000

C: 170000

D: 180000

Question: Assets 14910 Capital 12710 What are the liabilities by using accounting equation

A: 2200

B: 2000

C: 14910

D: 3200

Question: Every debit has a

A: debit

B: debitor

C: Creditor

D: Credit

Lecture 5

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Question: The value of goods or services that a business charges from its customers

A: Income

B: profit

C: cash

D: all of above

Question: The excess of expenses over income in a specific period.

A: Profit

B: Profit & Loss

C: Loss

D: none of them

Question: Expenditure is the amount used during a particular period to acquire or improve long-term assets equipment.

A: Capital Expenditure

B: Revenue Expenditure

C: Both Revenue and Capital Expenditure

D: none of them

Question: When an asset is created or purchased, value / benefit is transferred to that account, so it is-----

A: Credit

B: Debited

C: Creditor

D: Debit

Question: Increase in Asset is Debit

A: Yes

B: no

C: ---

D: ---

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Question: Decrease in Asset is Credit

A: No

B: Yes

C: --

D: --

Question: Anything that transfers value to the business, and in turn creates a responsibility on part of the bu

A: Credit

B: Assets

C: Liability

D: Capital

Question: Increase in Liability is recorded on the

A: Debit

B: Credit

C: Debit or Credit

D: Debit and Credit

Question: When the business returns the benefit or repays the liability, the liability account benefits from th

A: Credit

B: Creditor

C: Debit

D: Debitor

Question: Decrease in Liability is

A: Debit

B: Debit & Credit

C: Debitor

D: Credit

Question: From Assetswe draw benefit for a -----

A: Long time

B: Short time

C: only 1 year

D: During the accounting period

Question: The benefit from expenses is

A: Long time

B: Short time

C: 6 month

D: more then 2 year

Question: Increase in Expenditure is Debit recorded on the

A: Left side

B: Right Side

C: Both Left and Right Side

D: income

Question: Increase in Income is

A: Credit

B: Debit

C: Net income

D: income

Question: Decrease in Income is

A: loss

B: Credit

C: no profit

D: Dedit

Lecture 6

Question: If the financial position of a business is change due to the happening of event that is called

A: Event

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B: Monetary Event

C: movement

D: change

Question: ---------- is documentary evidence in a specific format that records the details of a transaction

A: Voucher

B: Bill

C: Ledger

D: Account

Question: At the top of Voucher their is

A: Payment

B: Name Of Company

C: Name Of Customer

D: Date

Question: Voucher include ---------- account

A: 4

B: 3

C: 2

D: 5

Question: ---------- is used to record financial transactions in chronological (day-to-day) order.

A: General Journal

B: Voucher

C: paymentJournal

D: General

Question: The General Journal has Sides (account)

A: 5

B: 2

C: 3

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D: 4

Question: General Ledger is also a called

A: Account

B: payment Account

C: Income Account

D: T Account

Question: ---------- Ledger is a book that keeps separate record for each account (Book of Accounts).

A: cash Ledger

B: income Ledger

C: General Ledger

D: payment Ledger



Question: General Ledger contain

A: Date of transaction

B: list of transcation

C: Voucher type

D: all of above

Question: ----- is also called the Book of Original Entry or Day Book.

A: General Ledger

B: income Ledger

C: expenses Ledger

D: General Journal

Question: Usually the ledger is required to provide following information:

A: Ledger page number,

B: Voucher number

C: Amount of transaction

D: all of these

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Question: purchase of furniture (on account) is recorded on the -- side

A: Debit

B: Credit

C: --

D: --

Question: In ledgers the difference between the debit and the credit sides, known as

A: profit

B: loss

C: balance

D: net income

Question: The total of all balances on the Debit side is always equal to the total of all balances on the

A: expences

B: income

C: Credit

D: Creditor

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Question: The Flow of Transactions

A: The Voucher -->General Journal-->{ General Ledger & Cash/Bank Book } ---> {Trial Balance & Balance Sheet }

B: The Voucher -->General Journal-->{ General Ledger & Cash/Bank Book } ---> {Trial Balance &

C: The Voucher -->{ General Ledger & Cash/Bank Book } ---> {Trial Balance & Profit & Loss Ac

D: General Journal-->{ General Ledger & Cash/Bank Book } ---> {Trial Balance & Profit & Loss A

Lecture 7

Question: Cash book and bank book are part of ----------

A: general journal

B: general ledger

C: Cash ledger

D: bank ledger

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Question: All entries including payables and receivables are recorded in the

A: Account payables

B: Account receivable

C: general ledger

D: cash ledger

Question: All cash transactions (receipts and payments) are recorded in the

A: pass book

B: credit book

C: account receivable

D: Cash book

Question: Receipt from Sale of Assets is

A: Cash Flow From Operating Activities

B: Cash Flow From Investing Activities

C: A & B

D: none of above

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Question: All bank transactions (receipts & payments) are recorded in the bank book

A: Yes

B: No

C: ---

D: --

Question: The format of bank book is same as that of cash book except the column of

A: Date

B: cheque no.

C: Name

D: Account no

Question: Accounting period is any period for which a Financial Statements are

A: prepared

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B: complated

C: record

D: both A & B

Question: The length of the accounting period can be anything between .

A: one day

B: one year

C: 3 months

D: one day to one year

Question: In Pakistan, financial year starts from ---------- and end on ----------

A: 1st of July , 30th of June.

B: 15th of July , 30th of June.

C: 1st of July , 1st of June.

D: 31st of July , 30th of June.

Question: ---------- can be made for a week or a month, depending upon the requirements of the co

A: Account

B: cash

C: Financial perid

D: Financial reports

Question: Debit and credit side of a ledger must be equal

A: equal

B: Unequal

C: equal or Unequal

D: none of above

Question: If debit side of a ledger is greater than credit side, the balance will be written on the credit side a

A: Debit Balance.

B: Credit Balance

C: Debit Balance Credit Balance

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D: both A & B

Question: credit side is greater than debit side, the balance will be written on the debit side. This balance is

A: Debit Balance

B: Credit Balance

C: Credit Balance & Debit Balance

D: none of them

Question: At the end of accounting period, a list of all ledger balances is prepared. This list is called

A: Cash Book

B: Ledger Balance

C: voucher Balance

D: Trial Balance

Question: A trial balance is usually prepared at the end of an accounting period and is used to see if additio to any of the balances.

A: Voucher balance

B: Trial Balance

C: Cash Balance

D: Trial Balance

Question: If any transaction is recorded in the wrong head e.g. if an expense is debited to an assets account detect that mistake too

A: Voucher balance

B: Credit

C: Trial balance

D: Debit balance

Lecture 8

Question: Trial balance only shows the mathematical accuracy of the accounts.It is------- of Trial balance

A: Feature

B: Limitations

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C: Advantage

D: both A & C

Question: ---------- are the end product of the whole accounting process.

A: Cash book

B: pass book

C: Trail balance

D: Financial Statements

Question: ---------- account is an account that summarizes the profitability of the organization for a sp

A: Trail balance

B: balance sheet

C: pass book

D: Profit & Loss Account

Question: Profit & Loss account has :

A: 5 parts

B: 2parts

C: 3 parts

D: 4 parts

Question: First part of Profit & Loss account is called

A: Expence portion

B: income portion

C: Trading account

D: both A & B

Question: in which part of Profit & Loss account Net Profit is calculated

A: 3rd part

B: 2nd part

C: 1st pat

D: A & B

Question: To calculate the profit the formula is

A: expenses - income =Profit

B: expenses - income =Profit

C: Income - expenses=Profit

D: Income + expenses=Profit=

Question: calculate the profit expenses 1000, income 1400

A: 400

B: 100

C: 1400

D: 2400

Question: Expenses are Devided into ---------- groups

A: 3

B: 4

C: 2

D: 5

Question: The cost incurred in purchasing or manufacturing the product.

A: Administration expenses

B: Selling expenses

C: Cost of goods sold

D: Financial expenses

Question: ---------- are the expenses incurred in running a business effectively

A: Cost of goods sold

B: Administration expenses

C: Selling expenses

D: Financial expenses

Question: ---------- are the expenses incurred directly in connection with the sale of goods

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A: Cost of goods sold

B: Administration expenses

C: Selling expenses

D: Financial expenses

Question: ---------- are the interest paid on bank loan & charges deducted by bank.

A: General office expenses

B: Administrative expenses

C: Selling expenses

D: Financial expenses

Question: ---------- are the interest paid on bank loan & charges deducted by bank.

A: General office expenses

B: Administrative expenses

C: Selling expenses

D: Financial expenses

Question: The formula of Gross profit is

A: Income (Sales) - Cost of sales

B: Income (Sales) - Admin expenses

C: Income (Sales) - Selling expenses

D: Income (Sales) + Cost of sales

Question: Calculations of Gross profit and Net profit

A: Income + cost of sales=Gross profit+ {Admin expenses ,Selling expenses,Financial expenses} =

B: Income – cost of sales=Gross profit- {Admin expenses,Selling expenses, Financial expenses} =

C: Income – cost of sales=Gross profit+ {Admin expenses + Selling expenses + Financial expenses

D: Income – cost of sales=Gross profit- {Admin expenses + Selling expenses - Financial expenses}

Lecture 9

Question: Income should be recognized / recorded at the time when goods are

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A: sold or services are purchased

B: sold or services are rendered

C: Expenses are incured

D: none of above

Question: Expenses – should be recognized / recorded when

A: expences incoming

B: benefit relating to that expense has been drawn

C: benefit would be drawn

D: benefit would be drawn in future

Question: Which is correct about Assets

A: (increase and decrease in asset is credit)

B: (increase in assets is debit and decrease in asset is credit)

C: (increase in assets is debit and decrease in asset is debit)

D: (increase in assets is credit and decrease in asset is debit)

Question: Which is correct about Liabilities

A: (Increase and decrease in liability is debit)

B: (Increase in liability is debit and decrease in liability is credit)

C: (Increase in liability is credit and decrease in liability is debit)

D: (Increase in liability is debit and decrease in liability is debit)

Question: ---------- Are the assets of permanent nature that a business acquires, such as plant, machinery, etc.

A: Current Assets

B: Long Term Assets

C: Fixed Assets

D: Intangible assets

Question: ----- assets of the business that are receivable after twelve months of the balance sheet date

A: Fixed Assets

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B: Current Assets

C: Long Term Assets

D: Tangible Assets

Question: Debtors, closing stock & all accrued incomes are the examples of

A: Long Term Assets

B: Fixed Assets

C: Intangible assets

D: Current Assets

Question: Now if the business is managed successfully, then this return would be a Favorable figure (Profit

A: Yes

B: No

C: --

D: --

Question: Liabilities that will become payable after a period of more than one year of the balance sheet dat

A: Long Term Liabilities

B: Short Term Liabilities

C: Mid Term Liabilities

D: Current Liabilities

Question: These are the obligations of the business that are payable within twelve months of the balance sh

A: Long Term Liabilities

B: Short Term Liabilities

C: Mid Term Liabilities

D: Current Liabilities

Question: If business has taken a loan from bank or any third person and it is payable after ten years, it will

A: Short Term Liabilities

B: Long Term Liabilities

C: Mid term Liabilities

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D: Current Liabilities

Question: which one of the following is Current Liabilities

A: Rent payble

B: Rent expenses

C: salary

D: service charges

Question: The year in which long term liability is to be paid back, long term liability is transferred to curre

A: that year

B: previous year

C: ----

D: ----



Question: ---- Is a statement that shows the standing of the organization in Monetary Terms at a Specific T

A: Profit & loss

B: Income statment

C: Balance Sheet

D: Trail balance

Question: Balance Sheet can be prepaired into ----- forms(types)

A: 3

B: 2

C: 4

D: 1

Lecture 10

Question: In which statment both the Assest and Liabilities are equal at the end

A: Profit & Loss

B: Income Statment

C: Balance Sheet

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D: A & B

Question: Balance Sheet can be prepaed is Report Form and also in

A: Account Form (T Form)

B: Credit Form

C: Debit Form

D: Favourable Form

Question: The Goods that business returned to the supplier is called

A: Total purchases

B: purchases

C: purchases return

D: purchases discount

Question: Purchase return are -------- from purchases

A: Add

B: Less

C: --

D: ---

Question: calculate net purchase (purchase returned 5000 purchases 100000)

A: 105000

B: 95000

C: 10000

D: none of above

Question: Fright, wages,Roality and Octry duty are the types of -------

A: Direct incone

B: Indirect expenses

C: Direct expenses

D: Indirect incone

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Question: Direct expenese are add into the----

A: Balnce Sheet

B: Income statment

C: Profit & Loss

D: Purchases Account

Question: Calculate Gross Profit from the following iofnrmation {purchases 15000 purchases returned 100

A: 7000

B: 6000

C: 5000

D: 4000

Question: If the purchases exseed from the sales so the should be

A: Net profit

B: Net loss

C: Gross loss

D: Net sales

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Question: Started business with Rs. 200,000 in cash.which is the correct enty in General Journal

A: cash (Dr) Profit (Cr)

B: cash (Dr) Income

C: cash (Dr) Owner Capital (Cr)

D: Owner Capital (Dr) cash (Cr)

Question: purchase furniture 2000 the enty in general is

A: Furniture (Dr) Asset (Cr)

B: Furniture (Cr) Cash (Dr)

C: Furniture (Dr) Cash (Cr)

D: Furniture (Cr) Asset (Dr)

Question: Increase in expenses will be always

A: Debit

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B: Credit

C: --

D: --

Question: Decreas in income is

A: loss

B: Credit

C: Debit

D: peofit

Question: decrease in expense will be

A: Profit

B: Balance

C: Credit

D: Debit

Question: Paid for vehicle Rs. 50,000 through cheque.

A: vehicle(Dr) expenses (Cr)

B: vehicle(Dr) cash (Cr)

C: cash(Dr) vehicle (Cr)

D: vehicle(Dr) bank (Cr)

Lecture 11

Question: Sold goods for cash

A: Sales (Dr) cash (Cr)

B: Sales (Dr) Income (Cr)

C: Sales (Dr) profit (Cr)

D: cash (Dr) Sales (Cr)

Question: Returned goods from Mr. A.(on Credit)

A: Mr. A (Dr) Cash (Cr)

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B: Mr. A (Dr) income (Cr)

C: Mr. A (Dr) Account receivable (Cr)

D: Account receivable (Dr) Mr. A (Cr)

Question: purchase land on Credit

A: Account payable (Dr) Land (Cr)

B: Account payable (Dr) Cash (Cr)

C: Land (Dr) Account payable (Cr)

D: Account payable (Dr) Account receiable (Cr)

Question: Paid cash to the creditors

A: Account payable (Dr) Cash (Cr)

B: Cash (Dr) Account receivable (Cr)

C: Cash (Cr)

D: Cash (Dr)

Question: Deposited cash in bank

A: Deposited (Dr) cash (Cr)

B: Deposited (Dr) cash (Cr)

C: cash (Dr) Bank (Cr)

D: Bank (Dr) cash (Cr)

Question: Paid Salaries through cheque

A: Salaries (Dr) cheque (Cr)

B: cheque (Cr) Salaries (Dr)

C: Salaries (Dr) cheque (Cr)

D: Salaries (Dr) Bank (Cr)

Question: Mr. B Paid through cheque

A: Mr. B (Dr) cheque (Cr)

B: cheque (Dr) Bank (Cr)

C: Bank (Dr) Bank Mr. B (Cr)

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D: cash (Dr) cheque (Cr)

Question: Fixed assets reduse their value called

A: Income

B: Depreaction

C: long life

D: Loss

Question: calculate the closing balance of cash by using followoing infromation cash 100000 paid rent 200 purchaes furniture 25000 purchase vehicle 50000

A: 78000

B: 22000

C: 32000

D: 31000

Question: which one of them is fixed asset

A: Vehicle

B: Good

C: Right to receive money

D: cash

Question: Which one of the following is current asset

A: Account receivable

B: Furniture

C: Land

D: Account payable

Question: which one of the following is Intangible Assets

A: cash

B: Good will

C: Land

D: Furniture

Question: bill payable is a

A: Capital

B: Assets

C: Debit

D: Laibility

Question: whivh one is long term laibility

A: Bank loan

B: bill payable

C: rent payable

D: insurance payable

Question: Increase in Income is

A: Debit

B: Credit

C: --

D: ---

Lecture 12

Question: closing balance of ledgers are transfer to

A: Balanse sheet

B: Income statment

C: Trail Balance

D: none of above

Question: Accounting equation formula is

A: Assets = Capital + Liabilities

B: Assets = Capital - Liabilities

C: Assets + Liabilities = Capital

D: Assets - Liabilities = Capital +

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Question: Net value of current assets & current liabilities is called

A: Capital

B: Adational Capital

C: Working Capital

D: all of above

Question: Working capital formula is

A: Working Capital = Current Assets + Current Liabilities

B: Working Capital = Current Assets – Current Liabilities

C: Working Capital – Current Liabilities = Current Assets

D: Current Assets – Current Liabilities = Working Capital

Question: Calculate Working capital Current Assets 55000, Current Liabilities 35000, fixed asset5000, lon

A: 2000

B: 20000

C: 25000

D: 35000

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Question: ---------- value of goods available to the business that are ready for sale

A: Assets

B: Price

C: Stock

D: none of above

Question: For accounting purposes, stock has types

A: 3 types

B: 4 types

C: 2 types

D: 5 types

Question: ---------- is the value of goods available for sale in the beginning of an accounting year.

A: Opening stock

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B: stock

C: cost of goods sold.

D: Closing stock

Question: Closing Stock of previous year is the opening stock in present year

A: previoos year

B: present year

C: cost of goods sold.

D: none of above

Question: The value of goods unsold at the end of accounting year

A: cost of goods sold.

B: Opening stock

C: Closing stock

D: all of above

Question: Which of the following are the contents of cost of goods sold are

A: Opening stock & closing stock

B: purchases

C: Freight/ carriage paid on purchases

D: all of them

Question: For the calculation of cost of goods sold formula is

A: Opening stock + purchases + Freight/ carriage paid on purchases - closing stock

B: Opening stock + purchases + Freight/ carriage paid on purchases + closing stock

C: Opening stock + purchases - Freight/ carriage paid on purchases - closing stock

D: Opening stock - purchases + Freight/ carriage paid on purchases - closing stock

Question: Net profit is added in the

A: Cash

B: Income statment

C: Trail balance

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D: Capital

Question: Closing stock is

A: Fixed asset

B: Intengable asset

C: current asset

D: all of above asset

Question: In Balance Sheet Depreciation is

A: deducted from the fixed asset.

B: added in the fixed asset.

C: --

D: --

Lecture 13



Question: Drawing are the ---- of owner

A: Income

B: profit

C: expenses

D: none of above

Question: Drawings of owner is deducted from

A: profit

B: income statment

C: trail balance

D: capital

Question: which of the following is current liability

A: Utility bills

B: Salaries

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C: Accrued expenses

D: Rent

Question: ----- --------is the method of charging cost of fixed assets to the profit & loss account as an expen

A: income

B: good will

C: prepaid expenses

D: Depreciation

Question: Fixed Assets are those assets which have

A: Of long life

B: To be used in the business

C: Not bought with the main purpose of resale.

D: all of above

Question: ---------- is the number of years in which a fixed asset is expected to be used.

A: Rolity

B: limit

C: Estimated life

D: carriege

Question: Any money taken out as drawings will reduce

A: assets

B: liability

C: Gross profit

D: capital

Question: In book keeping, voucher is the ---------- document to record an entry.

A: 2nd

B: 3rd

C: 1st

D: none of them

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Question: Normally----------types of vouchers are used

A: 5

B: 4

C: 2

D: 3

Question: ----------voucher is used to record cash or bank receipt.

A: Receipt voucher

B: Payment voucher

C: Journal voucher

D: paid bill

Question: ----------voucher is used to record transactions that do not affect cash or bank.

A: Cash Payment voucher

B: Journal Voucher

C: Bank Payment voucher

D: Payment voucher

Question: if amount on the credit side is greater than that of amount on the debit side, the balance is shown the

A: voucher payment

B: Debit Balance.

C: Credit Balance.

D: both B & C

Question: Credit balance when carried forward, is written on the----------

A: credit side

B: Left side

C: debit side

D: Income side

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Question: Debit balance when carried forward, is written on the----------

A: credit side

B: debit side

C: income side

D: profit

Lecture 14

Question: Office equipment is sold for cash what will be the correct entry

A: equipment (Dr) cash (Cr)

B: equipment (Dr) accounstpayable (Cr)

C: equipment (Dr) sales (Cr)

D: cash (Dr) equipment (Cr)

Question: Accrued expenses are paid off.

A: Accrued expenses (Dr) cash (Cr)

B: cash (Dr) Accrued expenses (Cr)

C: expenses (Dr) cash (Cr)

D: expenses paid (Dr) Accrued expenses (Cr)

Question: ------ voucher denotes Payment of cash.

A: Cash Payment voucher

B: Bank Payment voucher

C: Cash receipt voucher

D: Bank receipt voucher

Question: --- voucher indicates receipt of cheque or demand draft.

A: Cash receipt voucher

B: Bank receipt voucher

C: Cash Payment voucher

D: Journal voucher

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Question: ---- voucher indicates payment by cheque or demand draft

A: Cash Payment voucher

B: Bank Payment voucher

C: Cash receipt voucher

D: Bank receipt voucher

Question: At the start of next accounting period, these balances are carried

A: paid

B: out

C: forward.

D: written

Question: ---- it is written on the debit side because debit side of the cash account is greater then credit

A: balance

B: axess balance

C: carried out

D: carried forward

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Question: every account has its specific ----------

A: Debit balance

B: Credit balance

C: Ledger account

D: none of above

Question: The closing balence of ledgers accouns are transfred to the

A: income statment

B: balance sheet

C: trail balance

D: all of above

Question: In the end of trail balance Debit and Credit are

A: not shown

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B: always equal

C: un equal

D: none of them

Question: In trail balance every account has a specific

A: title

B: account

C: code

D: ledger

Question: Date is not required in

A: General journal

B: voucher

C: trail balance

D: Journal Voucher

Question: In tral balance all assets and expenses are written in

A: debit side

B: Right side

C: credit side

D: A & C

Question: laibilities are shown in -------- of trail balance

A: credit side

B: debit side

C: left side

D: A & C

Question: If business purchases items for its own use (items that are not meant to be resold) such items are

A: Incone

B: Credit

C: Expenses

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D: liability

Lecture 15

Question: rent, utility bill, and salaries paid are the example of --

A: Purchases

B: sales

C: sales return

D: Expenses

Question: If business purchases items for resale purposes, such items are charged to --- account

A: Income

B: Sales

C: Purchases

D: A & C

Question: Stock is the quantity of unsold goods lying with the organization.

A: Yes

B: No

C: --

D: --

Question: Stock is termed as

A: "the value of goods available to the business that are ready for sale

B: "the value of goods available to the business that are notready for sale

C: "the quantityof goods available to the business that are ready for sale

D: A & C

Question: An organization that converts raw material into finished product by putting it in a process is -----

A: manufacturing concern,

B: trading concern,

C: both A & C

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D: none of them

Question: ------- Purchases items for resale purposes.

A: trading concern,

B: manufacturing concern

C: non trading concern

D: A & B

Question: In manufacturing concern the stock has ---------

A: 5 Types

B: 2 Types

C: 3 Types

D: 4 Types

Question: Raw material, Work in process, Finished goods are the types of -----

A: trading concern,

B: manufacturing concern,

C: ---

D: ---

Question: --------- is the basic part of an item, which is processed to make a complete item

A: Work in process

B: Raw Material

C: Finished goods

D: none of above

Question: At the end of the year, some part of raw material remains under process. it is --

A: Work in Process

B: Finished goods

C: Raw material

D: Material used

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Question: ---- contain items that are ready for sale, but could not be sold at the end of accounting period

A: Work in process

B: Finished goods

C: Raw material

D: us ed material

Question: Stock Account is Debited with the Value of the Goods

A: sold

B: un sold

C: purcshsed

D: not purcshsed

Question: Raw Material,Work in Process, Finished Goods has also

A: Credit balance

B: Closing balance

C: opening balance

D: B & C

Question: Stock account is ----- with the Purchase Price of the Goods Sold / Issued for Production.

A: Returned

B: Debited

C: Credited

D: all of above

Question: In manufacturing concern, entries for stock Purchase

A: Stock Account (Dr) Cash/Supplier /Creditors Account (Cr)

B: puchases (Dr) Cash/Supplier /Creditors Account (Cr)

C: Cash/Supplier /Creditors Account (Dr) Stock Account (Cr)

D: none of above

Lecture 16

Question: In manufacturing concern, entries for stock Purchase

A: Stock Account (Dr) Cash/Supplier /Creditors Account (Cr)

B: puchases (Dr) Cash/Supplier /Creditors Account (Cr)

C: Cash/Supplier /Creditors Account (Dr) Stock Account (Cr)

D: none of above

Question: cost of goods sold is the value of goods unsold (goods stands for the items purchased for resale p

A: manufacturing concern,

B: trading concern,

C: non trading concern,

D: A & B

Question: In-----cost of goods sold is the value of raw material consumed plus any

A: trading concern,

B: non trading concern,

C: manufacturing concern

D: A & B

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Question: Stock and cost of goods sold in manufacturing concern

A: Raw Material Stock + Other Costs Accounts---->Work in Process Account-->Finished Goods Ac Account

B: Raw Material Stock - Other Costs Accounts---->Work in Process Account-->Finished Goods Ac Account

C: Raw Material Stock+Other Costs Accounts---->Work in Process Account-->Finished Goods Acc Account

D: Raw Material Stock+Other Costs Accounts---->Work in Process Account-->Finished Goods Acc Account

Question: In manufacturing concern, Raw material stock is put into

A: profit & laoss

B: process

C: expenses

D: none of them

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Question: --------is the value of goods available for sale in the beginning of an accounting period

A: stock

B: Opening stock

C: Closing stock

D: unsold stock

Question: --- is the value of goods unsold at the end of the accounting period

A: Opening stock

B: stock

C: Closing stock

D: unsold stock

Question: If our suppliers use some other material in exchange of material returned enty will be

A: Raw Material Stock Account Debit Goods Return Account Credit

B: Goods Return Account Debit Goods Return Account Credit

C: Stock Material Account Debit Goods Return Account Credit

D: Goods Return Account Debit Stock Material Account Credit

Question: If our suppliers use some other material in exchange of material returned enty will be

A: Raw Material Stock Account Debit Goods Return Account Credit

B: Goods Return Account Debit Goods Return Account Credit

C: Stock Material Account Debit Goods Return Account Credit

D: Goods Return Account Debit Stock Material Account Credit

Question: the formula for material used is

A: Raw material openin + Purchases + Raw material closing

B: Raw material openin + Purchases - Raw material closing

C: Raw material openin - Purchases + Raw material closing

D: Raw material openin - Purchases - Raw material closing

Question: prime cst is = ----------

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A: material used + Other production costs

B: Other production costs + direct labor

C: material used + direct labor

D: material used - Other production costs

Question: sale is a not a part of

A: Cost of Goods Sold

B: Income

C: Income stat ment

D: none of above

Question: convesion cost is= ---

A: Finished goods

B: material used + factory over head (F O H)

C: Finished goods + factory over head (F O H)

D: Direct labor + factory over head (F O H)

Question: Total Factory Cost is = ----------

A: Factory over head (FOH) + direct labour

B: Prime cost + direct labour

C: Prime cost - direct labour

D: Prime cost + Factory over head (FOH)

Question: Labor cost is charged to production entry

A: Work in process OR WIP Account + Labor Cost Account

B: Work in process OR WIP Account - Labor Cost Account

C: Work in process OR WIP Account Debit Labor Cost Account Credit

D: Labor Cost Account Debit Work in process OR WIP AccountCredit

Question: Other costs also charged to work in process entry will be

A: Work in process OR WIP Account Debit Labor Cost Account Credit

B: Other Costs Account Debit Labor Cost Account Credit

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C: Labor Cost Account Other Debit Costs Account Credit

D: Work in process OR WIP Account Debit Other Costs Account Credit

Question: work in process of charged to finished goods entry wiil be

A: Cost of Goods Sold Account Debit Work in process Account Credit

B: Finished Goods Account Debit Cost of Goods Sold Account Credit

C: Cost of Goods Sold Account Debit Finished Goods Account Credit

D: none of above

Lecture 17

Question: Cost of Goods Manufactured =-------

A: Total Factory Cost - O/S of WIP - C/S of WIP

B: Total Factory Cost + O/S of WIP + C/S of WIP

C: Total Factory Cost - O/S of WIP + C/S of WIP

D: Total Factory Cost + O/S of WIP - C/S of WIP

Question: Cost of Good Sold = -----

A: Cost of Goods Manufactured - O/S of Finished Goods - C/S of Finished Goods

B: Cost of Goods Manufactured + O/S of Finished Goods - C/S of Finished Goods

C: Cost of Goods Manufactured + O/S of Finished Goods + C/S of Finished Goods

D: Cost of Goods Manufactured + O/S of Finished Goods + C/S of Finished Goods

Question: ---- are the other costs incurred in relation of manufacturing of goods.

A: Over Heads Costs

B: Total factory cost

C: Cost of goods sold

D: Direct Labor cost

Question: cal culate material used by following information Raw material O/S Rs.150,000 Raw material C/ raw material Rs. 100,000

A: 235000

B: 135000

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C: 165000

D: 265000

Question: clculate total factory cost by following information Cost of Material Consumed 140,000 Factory is 20000.

A: 22000

B: 220000

C: 160000

D: 200000

Question: calculate Cost of Good Sold by given informaton Cost of Goods Manufactured 315,000 O/S of F of Finished Goods 100000

A: 435000

B: 335000

C: 235000

D: 410000

Question: ---- is used to keep the record of what has come in stock and what has gone out of it.

A: Number card

B: Stock card

C: pass

D: A & C

Question: Stock card has two parts Receipt & Issue

A: Yes

B: No

C: --

D: --

Question: Methods of Stock valuation era ----------

A: 5

B: 4

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C: 3

D: 2

Question: (FIFO), (LIFO), and Weighted average are the Valuation of ----

A: Labour

B: Expenses

C: Income

D: Stock

Question: (FIFO) means

A: First in first out

B: Last in first out

C: ---

D:

Question: ------ method is based on the assumption that the recently purchased merchandise is issued first.

A: First in first out (FIFO)

B: Last in first out (LIFO)

C: Weighted average

D: none of above

Question: ----- Method is in use, the average cost of all units in inventory, is computed after every purchase

A: Last in first out (LIFO)

B: Weighted average method

C: First in first out (FIFO)

D: all of above

Question: Calculate closing stock by using fifo method 01 Jan 10 units @ Rs. 150 per unit 02 Jan 20--, 15 u Issues 05 Jan 20--, 10units

A: 15 units @ Rs. 200

B: 25 units @ Rs. 200

C: 10 units @ Rs. 200

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D: 5 units @ Rs. 200

Question: Valuation of Stock by Weighted Average Method fo rgiven information May 7 Receipts 200 uni
units @ Rs. 60/unit Issues 150

A: 200 units @ Rs. 50

B: 150 units @ Rs. 50

C: 200 units @ Rs. 200

D: 200 units @ Rs.100

Lecture 18

Question: Fixed assets are also called

A: long life

B: Intengable assest

C: Depreciable Assets

D: all of above

Question: ----- is a process of charging the cost of fixed asset to profit & loss account

A: Stock valutiuon

B: good will

C: depreciation

D: Fright

Question: Total cost of the asset is divided by total number of estimated years is called depreciation for the

A: depreciation

B: depreciation for the month

C: depreciation for the year'

D: all of them

Question: Written down Value depreaction formula is

A: Original cost of fixed asset – Accumulated Depreciation

B: Original cost of fixed asset + Accumulated Depreciation

C: Original cost of fixed asset + use ful life of fixed asset

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D: Accumulated Depreciation - Original cost of fixed asset

Question: ----- Economic Life is the time period for machine is expected to operate efficiently.

A: Written down Value

B: Useful Life

C: Fixed Assets

D: Depreciation

Question: No depreciation is charged for

A: Building

B: Plant and Machinery

C: Land

D: Vehicles

Question: Journal entries for recording Depreciation

A: Debit: Depreciation Expenses Account Credit: Accumulated Depreciation Account

B: Debit: Accumulated Depreciation Account Credit: Accumulated Depreciation Account

C: --

D: --

Question: Depreciation for the year is charged int ----- accounts

A: 4

B: 1

C: 2

D: 3

Question: ----- or Original cost method or Fixed installment method of Depreciation

A: Straight line method

B: Reducing balance method

C: Diminishing balance method

D: written down method.

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Question: The 2nd name of written down method is

A: Original cost method

B: Fixed installment method

C: Reducing balance method or Diminishing balance method

D: Straight line method

Question: That fixed amount of Depreciation is charged every year in which of the following method

A: Reducing balance method

B: Straight line method or Original cost method or Fixed installment method

C: Diminishing balance method

D: written down method.

Question: Straight Line Method formula for Depreciation if

A: (cost + Residual value) / Expected useful life of the asset

B: (cost – Residual value) / Expected useful life of the asset

C: (cost – Residual value) + Expected useful life of the asset

D: (cost – Residual value) / Residual value

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Question: ---- Method the Depreciation amount is not same in every year

A: Reducing Balance Method

B: Straight Line Method

C: Fixed installment method

D: Original cost method

Question: cCalculate depreciation with Straight line method Cost of an asset: Rs. 120,000 Expected life: Rs 20,000

A: 15000 for 1 year

B: 10000 for 1 year

C: 30000 for 1 year

D: 20000 for 1 year

Question: Reducing Balance Method Depreciation is charged by fixed ----

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A: Amount

B: Year

C: %

D: none of above

Question: Depreciation expense account contains the depreciation of the

A: current year.

B: last year

C: next year

D: none of above

Lecture 19

Question: Depreciation of assets can de recorded into heads of accounts

A: 5

B: 4

C: 2

D: 3

Question: Written down method depreaction is

A: WDV = Actual cost of fixed asset – Accumulated Depreciation.

B: WDV = Actual cost of fixed asset + Accumulated Depreciation.

C: WDV = Accumulated Depreciation – Actual cost of fixed asset .

D: WWDV = Accumulated Depreciation + Actual cost of fixed asset

Question: Depreaction can be recorded which of thew following head

A: Income statment

B: Depreciation Expense Account

C: Accumulated Depreciation Account

D: B & C

Question: Who selects the policy for charging depreciation.

A: The government of the business selects the policy for charging depreciation.

B: The management of the business selects the policy for charging depreciation.

C: The NGO's of the business selects the policy for charging depreciation.

D: none of them

Question: Normally two policies are commonly used for depreaction of assets.

A: Depreciation on the basis of use

B: Depreciation on the basis of value of assets

C: In the year of purchase, full year's depreciation is charged, where as, in the year of sale no depre

D: A & C

Question: Entries for Recording Disposal asset is

A: Fixed Asset Disposal A/c (Dr) Fixed Asset Cost A/c (Cr)

B: Fixed Asset Disposal A/c (Dr) Purchasing Cost A/c (Cr)

C: Fixed Asset Cost A/c (Dr) Fixed Asset Disposal A/c (Cr)

D: Purchasing Cost A/c (Dr) Fixed Asset Disposal A/c (Cr)

Question: When asset is sold sale price in excess of the book value produces their is

A: no effect on account

B: loss

C: discount

D: profit

Question: Calculate the depreactio by folloing information Cost of asset Rs. 200,000 Life of the asset 5 yea

A: 34000 per year

B: 25000 per year

C: 36000

D: 32000

Question: Book value after five years depraction is 20,000 and its Sale price Rs. 30,000 so their is

A: 10000 loss

B: no profit

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C: 10000 profit

D: 30000 profit

Question: If an asset is not completed at that time when balance sheet is prepared, all costs incurred on that date are transferred to an account called

A: Income statment

B: Balance sheet

C: Trail balnce

D: Capital work in progress account

Question: A machine is purchased for Rs. 200,000. Its useful life is estimated to be five years. Its residual v years, it was sold for Rs. 20,000 by using straight line

A: 15000 loss

B: 10000 profit

C: no profit noloss

D: 25000 profit



Question: Calculation of depreciation(only two year) on the basis of reducing balance method Depreciation asset 400,000.

A: 160000

B: 25600

C: 256000

D: 20000

Question: Bank charges is an example f --- expenses

A: Admn

B: cash

C: Financial

D: Selling

Question: --- is Selling expenses

A: Transportation/carriage of goods sold

B: Transportation/carriage of goods purchased

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C: Sales return

D: buffer stock

Question: For Payment to Creditors enty is

A: Supplier / Creditors account (Dr) purchases (Cr)

B: Supplier / Creditors account (Dr) cash

C: Purchases (Dr) Supplier / Creditors account (Cr)

D: No entry

Lecture 20

Question: calculate total factory cost material used is 50000 direct labour is 25000 FOH (Applied 40% of d

A: 75000

B: 75060

C: 85000

D: 80000

Question: When any expense is incurred or paid, it is included in the Capital Work in Progress Account thr

A: Work in Progress Account (Dr) Cash (Cr)

B: Work in Progress Account (Dr) Cash/Bank/Payable Account (Cr)

C: Work in Progress Account (Dr) supplies (Cr)

D: Work in Progress Account (Dr) costof asset (Cr)

Question: When an asset is completed and it is ready to work, all costs will transfer to the relevant asset ac following entry

A: Work in Progress Account (Dr) Relevant asset account (Cr)

B: Work in Progress Account (Dr) Cash/Bank/Payable Account (Cr)

C: Relevant asset account (Dr) Capital work in progress account (Cr)

D: Work in Progress Account (Dr) Capital work in progress account (Cr)

Question: Fixed assets are purchased to be used for -----period.

A: smaler

B: longer

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C: medium

D: all of them

Question: ---- Cost is the original cost of the asset at which it was purchased plus additional costs incurred working condition.

A: Adational

B: Fixed

C: Maximum

D: Historical

Question: If an asset is revalued at higher cost than its original cost, the excess amount will be treated as

A: Sales

B: Profit

C: Net income

D: Income from asset



Question: land has no depreaction

A: Yes

B: No

C: --

D: --

Question: Calculation of depreciation on the basis of reducing balance method value of asset 100000 Depre years depreaction

A: 26000

B: 46000

C: 20000

D: 36000

Question: Once an asset has been fully depreciated,

A: no more depreciation should be recorded on it,

B: more depreciation should be recorded on it,

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C: less depreciation should be recorded on it,

D: none of them

Question: ----- is a systematic allocation of the cost of a depreciable asset to expense over its useful life.

A: Depreciable Assets

B: Written down value

C: Depreciation

D: Reducing Balance

Question: --------- Method is based on the assumption that the first merchandise purchased is the first merch

A: FIFO

B: LIFO

C: Weighted average

D: Market value

Question: As the current stock is valued at oldest prices, the current assets of the company have the oldest a Characteristics

A: First in first out (FIFO)

B: Last in first out (LIFO)

C: Weighted average

D: All of them

Question: As the current stock is valued at oldest prices, the current assets of the company have the oldest a Characteristics of

A: Weighted average method

B: LIFO

C: FIFO

D: all of above

Question: Correct formul of (Straight line method)

A: (400,000 – 25,000)/5

B: (400,000 + 25,000)/5

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C: (400,000 – 5)/25,000

D: (25,000 +400,000)/5

Question: Calculation of depreciation basis of reducing balance method cost of asset 15000 rate of depreact
depreaction

A: 3000

B: 2850

C: 2800

D: 4000

Lecture 21

Question: The value of asset could be higher or lower than its present book value due to inflationary condit

A: Value

B: Usage

C: Economy

D: all of these

Question: ---- Cost is the original cost of the asset at which it was purchased plus additional costs incurred
working condition

A: Fixed

B: Variable

C: Book value

D: Historical

Question: Once the asset is revalued to its market value, then its value has to be constantly monitored to re
value

A: book value

B: market value

C: --

D: ---

Question: ----- is credited when asset is revalued at higher cost than its original cost,

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A: Profit

B: Revaluation Reserve Account

C: Asset

D: Markete value

Question: If an asset is revalued at lower cost than its original value, the balance amount will be treated as l

A: revaluation of fixed assets

B: Fixed value

C: Markete value

D: all of them

Question: It is the value, at which an asset would bring to the management, when sold to a knowledgeable p

A: Revaluation

B: Book value

C: Markete Value

D: Fair Value

Question: Rules for Revaluation

A: Revaluation has to be carried out at regular intervals

B: Revaluation has to be carried out at fixed intervals

C: Whole class of asset has to be revalued

D: A & C

Question: ------ are those expenses for which benefit is enjoyed for more than one accounting period

A: Fixed Expenses

B: Admn Expenses

C: Capital Expenses

D: Revenue Expenses

Question: ---- are those expenses for which, the benefit is enjoyed within one accounting period.

A: Capital Expenses

B: Revenue Expenses

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C: Marketing Expenses

D: sll of them

Question: Capital Expenditures are incurred in ---- way

A: 5

B: 6

C: 4

D: 2

Question: Asset is purchased is --------

A: Revenue Expenses

B: Capital Expenses

C: Purchase

D: all of these

Question: ---- is also called business running expenses

A: Capital Expenses

B: Revenue Expenses

C: Marketing Expenses

D: Fixed Expenses

Question: All Capital Expenses are grouped in

A: Cost of goods sold

B: ledger

C: Profit & Loss

D: balance sheet

Question: All Revenue expenses are grouped in

A: Balance sheet

B: Cost of goods

C: Profit & Loss

D: all of above

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Question: ----- does not occur again and again. It is non- recurring and irregular

A: Capital Expenditure

B: Revenue Expenditure

C: both of these

D: ---

Lecture 22

Question: ---- reduces the profit of the concern.

A: Capital Expenditure

B: Revenue Expenditure

C: --

D: ---

Question: --- does not reduce the profit of the concern.

A: Capital Expenditure

B: Revenue Expenditure

C: Both of these

D: --

Question: ---- expenditure improves the financial position of business

A: Icome

B: Capital Expenditure

C: Revenue Expenditure

D: none of them

Question: The revenue expenditure that provides benefit for more than one year is called

A: Capital Expenditure

B: Deffered Expenditure

C: Travling Expenditure

D: None of above

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Question: ---- are amounts that are paid in advance to a vender or creditor for goods and services.

A: Deffered Expenditure

B: Capital Expenditure

C: Revenue Expenditure

D: Prepaid Expenses

Question: Prepaid Expenses are

A: Deffered Expenditure

B: Incone

C: Current Asset

D: Non-Current Asset

Question: -------- Normally a revenue expense, but when paid to bring an asset to its intended use then it is

A: Freight and Carriage

B: Repairs

C: Interest on Loan

D: Legal Charges

Question: ---------- are non-recurring and whose benefits are enjoyed over a long period are called

A: Capital Receipts

B: Revenue Receipts

C: Other Income

D: Income & expenditure

Question: Sale proceed of fixed assets is an example of fixed asset is ---

A: Capital Receipts

B: Revenue Receipts

C: Cash

D: A & C

Question: Receipts which are recurring by nature and which are available for meeting all day to day expens
known as --------

A: Capital Receipts

B: Revenue Receipts

C: Other incone

D: all of these

Question: sale proceeds of goods is an example is

A: Capital Receipts

B: Revenue Receipts

C: ---

D: ---

Question: ---- is the detail of transactions in one's account provided by the bank.

A: Bank statement

B: Bank book

C: Bank voucher

D: Bank Statement

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Question: At times, banks record transactions in our account without our knowledge like

A: bank charges

B: profit

C: tax

D: allof these

Question: A balance favorable to the customer is shown

A: without brackets

B: within brackets

C: -

D: -

Lecture 23

Question: where a cheque is issued but it has not been presented in the account, such kind of cheques are ca

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A: Presented Cheques

B: Unpresented Cheques

C: Lost Cheques

D: none of above

Question: Areceipt of a cheque that has not been cleared in the bank account --------

A: presented Cheques

B: Credited Cheques

C: Un-Credited Cheques

D: Unpresented Cheques

Question: Bank account is our asset therefore, it usually has a------

A: Negative

B: Dr

C: Cr

D: A & C

Question: Bank Statement which is a ledger account for bank normally has a ----------

A: (Dr) balance

B: (Cr) balance

C: --

D: --

Question: Bank Statement is---------- therefore,a of our bank book/pass book

A: Dr

B: Cr

C: Mirror Image

D: none of these

Question: Bank Charges ------- to our bank account

A: debited

B: credited

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C: --

D: ---

Question: Bank charges debited by bank

A: Yes

B: No

C: --

D: --

Question: If we have taken a loan from our bank it is

A: Bank loan

B: liability

C: overdraft

D: unerdraft

Question: Overdraft has ---------- balance

A: No

B: Cr

C: Dr

D: A & B

Question: Interest credited by bank is our

A: liability

B: expense

C: loan

D: income

Question: Bank/pass book and bank statement could be a mistake made by us in recording transactions Suc making an adjusting entry through Journal Voucher, which is also called

A: Rrror

B: Bank Reconciliation Statement

C: Reconciliation Statement

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D: Rectification of error

Question: Outstanding cheque are ---------- in bank/pass book

A: add

B: less

C: not shown

D: A & B

Question: we received cash Rs. 50,000 from a debtor and instead of Debiting the Cash we debited the Bank

A: Cash Account 50,000 (Dr) Bank Account 50,000 (Cr)

B: Creditors 50,000 (Dr) Cash Account 50,000 (Cr)

C: Cash Account 50,000 (Dr) Bank Account 50,000 (Cr)

D: Cash Account 50,000 (Dr) Creditors 50,000 (Cr)

Lecture 24



Question: -------- are the third persons/parties, who owe money from the business.

A: Business partner

B: Deboter

C: Customer

D: Creditors

Question: Creditors are -------

A: Fixed Assets

B: Current Assets

C: Long term Assets

D: Current liabilities

Question: At times, we receive discounts from our creditors. This discount is either treated as income of the the cost of

A: Income

B: Balance

C: Stock

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D: Returned

Question: When an expense or other payable is accrued it is

A: current liability

B: Assets

C: Income

D: current assets

Question: ---------- is made when it is known that an expense will arise but the exact amount is not known

A: Accrual

B: Provision

C: Reserves

D: Good will

Question: Accounting Treatment of Provision

A: Relevant Expense Account (Dr) Provisions (Cr)

B: cash (Dr) Provisions (Cr)

C: Account payable (Dr) Provisions (Cr)

D: Provisions(Dr) Relevant Expense Account (Cr)

Question: Debtors is also called

A: Provisions

B: Stock

C: Receivables

D: none of them

Question: Receivables are the ----------

A: current assets

B: Fixed assets

C: long term assets

D: all of above

Question: When a debtor does not pay the amount due to him, it is said

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A: Provision

B: Accrual

C: Debt

D: Bad Debts

Question: Bad Debts charged to the

A: Profit & loss

B: Cost of goods

C: Capital

D: Drawings

Question: Recording of Bad Debts

A: Bad Debts (Dr) Debtors a/c (Cr)

B: Drawings (Dr) Debtors a/c (Cr)

C: Bad Debts (Dr) Drawings (Dr)

D: Debtors a/c(Dr) Bad Debts (Cr)

Question: Debtors 100,000 Provision for Bad Debts 5,000 so the net receivable income is

A: 100000

B: 105000

C: 95000

D: none of them

Question: Provision for bad debts are also --------- deboters

A: add

B: less

C: save

D: recorded

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Question: Deboters are 15000 and the provision is 37% calculate net Deboters

A: 15000

B: 9400

C: 11000

D: 9450

Question: which one of them is current asset

A: cash

B: land

C: bill paid

D: advance income



q#1:In accounting accumulated depreciation is:
Select correct option:

Treated as a reserve
Treated as a contra asset
Treated as a surplus
Treated as an expense

Q#2: If cost of sales is Rs. 60,000, income from sales is Rs. 95,000 and operating expenses Rs. 25,000. Calculate net profit.
Select correct option:

Rs. 10,000
Rs. 35,000
Rs. 55,000
Rs. 60,000

95000-25000-60000=10000

Q#3:Which of the following is a debit entry on the Bank Statement that might not appear in the Cash Book?
Select correct option:

A standing order
An uncredited cheque
A credit transfer

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An unpresented cheque

Q#4:A company is said to have been registered when:
Select correct option:

It filed with the Registrar of Companies articles certain documents, like memorandum and articles of association
It gets certificate of incorporation from registrar of Companies
It gets certificate of commencement of business from registrar of Companies
It actually starts its business

Q#5: The term "Debit" is drived from_____ language.
Select correct option:

Latin
English
French
Chinese

Q#6: What will be debited, if business purchased Furniture on cash?
Select correct option:

Furniture account
Cash account
Business account
Bank account

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Q#7:A transaction that has been recorded in wrong account of the same class instead of being recorded in the right account, this is called:
Select correct option:

Error of Omission
Error of Commission
Error of Principle
Error of Original entry

Q#8:Unfavorable Bank Balance means:
Select correct option:

Credit balance in cash book
Credit balance in pass book
Debit balance in cash book
All of the given options

Q#9: Which of the following particular is NOT included in journal voucher?
Select correct option:

Name of organization
Bank receipt number
Debit amount
Credit amount

Q#10: In the cost of goods sold statement, Cost of direct material consumed + Direct labor=?

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Select correct option:

Conversion cost
Prime cost
Total factory cost
Cost of goods manufactured

Q#11:Goods sold to Mr. Salman for RS. 6,000 have been forgotten to enter in books of accounts, this is an example of:
Select correct option:

Error of Omission
Error of Commission
Error of Principle
Error of Original entry

Q#12: Goods sold to Mr. Naeem for Rs. 5,000 are wrongly recorded in sales journal at Rs. 500 and same amount is posted in Mr. Naeem's account, this is an example of:
Select correct option:

Compensating errors
Error of Commission
Error of Principle
Error of Original entry

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Q#13:Which of the following asset is NOT depreciated?
Select correct option:

Factory Buildings
Office Equipment
Plant & Machinery
Land

Q#14: Which of the following account summarizes the profitability of business for a specific accounting period?
Select correct option:

Profit & Loss account
Cash flow statement
Receipt & Payment account
Balance Sheet
Q#15: A Bank Reconciliation Statement is prepared to:
Select correct option:

Ascertain that the difference between the Cash Book balance and the Bank Statement balance is accounted for
Correct errors in the Cash Book or errors on the Bank Statement
Amend the balance of the Bank Statement of the firm
Amend the balance in the Cash Book of the firm

Q#16:Which of the following is (are) NOT shown in balance sheet of sole proprietor?
Select correct option:

Fixed assets
Current liabilities
Profit sharing ratio
Long term assets

Q#17:"Cash receipts from commission" will be shown under the head of _____ in cash flow statement.
Select correct option:

Financing activities
Operating activities
Investing activities
None of the Given

Q#18: Examples of cash flows from operating activities are:

- Cash receipt from sale of goods and rendering of services.
- Cash receipts from fees, commission and other revenues.
- Cash payments to suppliers for goods and services.
- Cash payments to and on behalf of the employees.
- Cash payments or refunds of income taxes.

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Q#19: What will be debited, if Mohsin commenced business with cash?
Select correct option:

Cash account
Capital account
Drawings account
Proprietor account

Q#20:Discount allowed Rs. 93 to Ali has been recorded in the books of accounts as Rs. 39. To rectify this error:
Select correct option:

Both accounts will be adjusted with Rs. 93
Both accounts will be adjusted with Rs. 54
Only Ali' accounts will be adjusted with Rs. 54
Only Discount allowed account will be adjusted with Rs. 54

Question # 20 of 20 (Start time: 11:09:31 AM) Total Marks: 1
The amount of owner's equity in a business is affected by which of the following?
Select correct option:

The profitability of the business
Investments made in the business by the owner
The amount of dividends paid to stockholders
All of the given options

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MGT101(Financial accounting)
MBA semester #1

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

Select correct option:

- Cost of goods sold
- Administrative expenses
- Selling expenses
- Marketing expenses

In a single entry system, it is NOT possible to prepare:

Select correct option:

- Trial balance
- Statement of affairs
- Balance Sheet
- Sales accounts

Any expense that becomes a source of income generation for a long time period is called _____

Select correct option:

- Capital Expense

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- Revenue Expense
- Revenue Receipt
-

V

A Balance Sheet discloses the financial position of a firm:

Select correct option:

- For a certain given period
- At a particular point of time
- After the fixed date
- None of the given options

Cash book is a part of _____ .

Select correct option:

- Voucher
- General Journal
- General Ledger

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- Trial Balance

Cost of goods sold + ending finished goods – opening finished goods=?

Select correct option:

- Total factory cost
- Cost of goods manufactured
- Prime cost
- Conversion cost

Click here to Save Answer & Move to Next Question

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

Select correct option:

- Journalizing
- Posting
- Balancing
- Analyzing

Goods sold to Mr. Naeem for Rs. 5,000 are wrongly recorded in sales journal at Rs. 500 and same amount is posted in Mr. Naeem's account, this is an example of:

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Select correct option:

- Compensating errors
- Error of Commission
- Error of Principle
- Error of Original entry

V

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

Select correct option:

- Purchased fixed asset
- Received discount
- Payment to creditors
- Return of goods, sold on credit

V

Which one of the following statement is CORRECT about Long term liabilities?

Select correct option:

- These are due within one year

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- These are short-term loans
- Consist of all bank debts payable more than 12 months
- In working capital, these are deducted from assets

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

Select correct option:

- Debit Fixed Asset Disposal and Credit Fixed Asset Cost
- Debit Accumulated Dep. and Credit Fixed Asset Disposal
- Debit Cash / Bank and Credit Fixed Asset Disposal
- None of the given options

Click here to Save Answer & Move to Next Question

The Balance Sheet item that represents the resources invested by the owner is known as:

Select correct option:

- Accounts Receivable
- Cash

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- Note Payable
- Owner's Equity

Click here to Save Answer & Move to Next Question

V

Details of individual accounts are kept in a separate register / ledger called:

Select correct option:

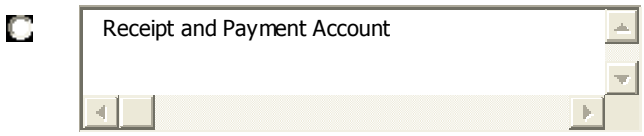
- Control Account
- Subsidiary Ledger
- General Journal
- All of the given options

In which of the following Gross Profit is calculated?

Select correct option:

- Balance Sheet
- Trading Account
- Appropriation Account

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Click here to Save Answer & Move to Next Question

Question # 1 of 15 (Start time: 03:49:51 PM) Total Marks: 1
Particulars Rs. Opening written down value of machine 3,50,000 Cost of machine purchased
during the year 40,000 Depreciation during the year 13,000 Closing written down value (WDV)

of the Machines ?
Select correct option:

1. **Rs. 3, 77,000**
2. Rs. 3, 90,000
3. Rs. 4, 12,000
4. Rs. 63,000

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Question # 2 of 15 (Start time: 03:51:15 PM) Total Marks: 1
Which of the following Organization converts raw material into finished goods?
Select correct option:

1. Trading concern
2. **Manufacturing concern**
3. Merchandising concern
4. Service concern

Question # 3 of 15 (Start time: 03:51:53 PM) Total Marks: 1
Which of the following particular/s is/are included in receipt voucher?
Select correct option:

1. Name of organization
2. Bank receipt
3. Date
4. **All of the given options**

Question # 4 of 15 (Start time: 03:52:17 PM) Total Marks: 1
What will be debited, if business sold goods for Rs.10, 000 on credit?
Select correct option:

1. Cash account

2. Sales account
3. **Accounts receivable account**
4. Purchases account

Question # 5 of 15 (Start time: 03:52:47 PM) Total Marks: 1
Which of the following is/are inventory valuation method(s)?
Select correct option:

1. FIFO
2. LIFO
3. Weighted average
4. **All of the given options**

Question # 6 of 15 (Start time: 03:53:01 PM) Total Marks: 1
In which of the following all vouchers are first recorded_____.
Select correct option:

1. **General Journal**
2. General Ledger
3. Balance Sheet
4. Trial Balance

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Question # 7 of 15 (Start time: 03:53:59 PM) Total Marks: 1
In which of the following statement/s closing stock is/are shown?
Select correct option:

1. Profit and loss account
2. **Balance sheet**
3. Income statement
4. All of the given options

Question # 8 of 15 (Start time: 03:54:32 PM) Total Marks: 1
While making Profit & Loss account, Excess of expenses over income in a specified

accounting period is called:
Select correct option:

1. Profit
2. **Loss**
3. Surplus
4. Deficit

Question # 9 of 15 (Start time: 03:55:04 PM) Total Marks: 1
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?
Select correct option:

1. **Rs. 1, 95,000 Losses**
2. Rs. 1, 95,000 Profits
3. Rs 1, 05,000 Profits
4. Rs1, 05,000 Losses

Question # 10 of 15 (Start time: 03:56:00 PM) Total Marks: 1
The main purpose of _____ is to ascertain true result of the business operation

during particular period of time.
Select correct option:

1. Cost Accounting
2. **Financial Accounting**
3. Managerial Accounting
4. Tax Accounting

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Question # 11 of 15 (Start time: 03:56:52 PM) Total Marks: 1
In balance sheet fixed assets are shown at:
Select correct option:

1. Written down value (WDV)
2. **Cost price**
3. Market value
4. Fair value

Question # 12 of 15 (Start time: 03:57:43 PM) Total Marks: 1
Debit signifies:
Select correct option:

1. **Increase in Asset account**
2. Decrease in liability account
3. Decrease in capital account
4. All of the given options

Question # 13 of 15 (Start time: 03:58:36 PM) Total Marks: 1
If Gross profit Rs.16,500 and Cost of goods sold Rs.183,500, what will be the amount of Net

Sales?
Select correct option:

1. Rs. 183, 500
2. Rs. 167, 000
3. **Rs. 200, 000**
4. Rs. 230, 000

Question # 14 of 15 (Start time: 03:59:26 PM) Total Marks: 1
Which of the following particular is NOT included in journal voucher?
Select correct option:

1. Name of organization
2. **Bank receipt number**
3. Debit amount
4. Credit amount

Question # 15 of 15 (Start time: 03:59:52 PM) Total Marks: 1
Any expense that gives benefit for a period of less than twelve months is called _____.
Select correct option:

1. Capital Expense
2. **Revenue Expense**
3. Revenue Receipt
4. Deferred Expense

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