

ACCOUNTING

2017

Time: 20 Minutes (Regular & Private) Max. Marks: 20

SECTION "A" MULTIPLE CHOICE QUESTIONS

1. Choose the correct answer for each from the given options:

(i) Closing entries are made to close:

- Assets A/c
- Revenues & Expenses A/c
- Liabilities A/c
- Capital A/c

(ii) Credit note issued is entered in:

- Sales Journal
- Purchase Journal
- Sales Return & Allow. Journal
- Purchase Return & All. Journal

(iii) This account is usually has a Debit balance:

- Unearned Commission
- Purchase Return account
- Purchase account
- Sales account

(iv) Commission received but not yet earned is:

- Assets
- Liability
- Expense
- Revenue

(v) An accounting book, used for small expenses recording, is known as:

- Cashbook
- Ledger
- Petty cashbook
- Journal

(vi) All are examples of Fixed Assets except:

- Buildings
- vehicles
- Equipments
- Supplies

(vii) An entry with more than one debit or more than one credit is called:

- General entry
- Compound entry
- Contra entry
- Double entry

(viii) To determine arithmetic accuracy of double entry accounting system, we can prepare:

- Income Statement
- Cash book
- Balance Sheet
- Trial Balance

(ix) Gross profit =:

- Purchase – Sales
- Sales + Operating Exp.
- Sales – Operating exp
- Sales – cost of goods sold

(x) Allowance for bad debts account is:

- Assets A/c
- Contra assets A/c
- Liability A/c
- Expense A/c

(xi) This one of the following balance sheet equations is correct:

- Liabilities – Assets = Capital
- Capital = Assets + Liabilities
- Assets = Liabilities + Capital
- Assets = Liabilities – Capital

(xii) If Net sales and Cost of goods sold are equal, then:

- Gross profit is more than Cost of goods sold
- Gross profit is less than Cost of goods sold