

ACCOUNTING 2018

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

SECTION "A" (MULTIPLE CHOICE QUESTION)

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

- (i) A sequence of Accounting procedures is:
- ♦ Accounting Equation ♦ Accounting Cycle
 - ♦ Accounting Title ♦ Accounting Period
- (ii) If Gross Profit is Rs.80,000 which is 20% of sales, then the amount of sale is:
- ♦ Rs.400,000 ♦ Rs.480,000 ♦ Rs.520,000 ♦ Rs.100,000
- (iii) This is shown as a non-current Asset in Balance Sheet:
- ♦ Cash ♦ A/c. Receivable
 - ♦ Machinery ♦ Prepaid Insurance
- (iv) At the end of a accounting year, these accounts are closed:
- ♦ Assets ♦ Owner's Equity
 - ♦ Liabilities ♦ Expenses & Revenues
- (v) In Bank Reconciliation statement, unpaid cheque is:
- ♦ added in Bank Statement ♦ deducted in Bank Statement
 - ♦ added in Cash Book ♦ deducted in Cash Book
- (vi) Merchandise sold on credit is recorded in:
- ♦ Cash Book ♦ Sale Journal
 - ♦ Either cash Book or Sale Journal ♦ Petty Cash Book
- (vii) Net Income = Operating Expenses =:
- ♦ Cost of Goods Sold ♦ Gross Profit
 - ♦ Net Sales ♦ Total Purchases
- (viii) Bank statement does not show:
- ♦ Deposit in transit ♦ Direct deposit
 - ♦ Bank charges ♦ Interest on Deposit
- (ix) Owner's personal expenses, withdraw from business, are closed by:
- ♦ Assets ♦ Liabilities ♦ Owner's equity ♦ Revenue
- (x) The arithmetic accuracy of account is verified by:
- ♦ Balance Sheet ♦ Income Statement
 - ♦ Bank Reconciliation ♦ Trial Balance
- (xi) Any entry, which has more than one debit or credit, is called:
- ♦ Single Entry ♦ Double Entry
 - ♦ Compound Entry ♦ Contra Entry
- (xii) In Ledgers, we use pencil for:
- ♦ Posting ♦ Footing ♦ Balancing ♦ Closing
- (xiii) This account is irrelevant for the Cost of Goods Sold:
- ♦ Purchase ♦ Carriage-In
 - ♦ Inventory ♦ Sale Return & Allowance
- (xiv) Salary Expenses not yet paid are classified as:
- ♦ Prepaid salary ♦ Salary expense
 - ♦ Accrued salary ♦ Unearned salary
- (xv) If the proprietorship is $\frac{3}{5}$ of total assets Rs.300,000, than the amount of liabilities is:
- ♦ Rs.120,000 ♦ Rs.140,000 ♦ Rs.160,000 ♦ Rs.180,000
- (xvi) Creditors are also termed as:
- ♦ Account Receivable ♦ Account Payable
 - ♦ Bill Receivable ♦ Receiver
- (xvii) Sale is best described by:
- ♦ Sale of merchandise ♦ Sale of asset
 - ♦ Cash sale ♦ Credit sale
- (xviii) This is not a contra account:
- ♦ Purchase return ♦ Drawing ♦ Sale return ♦ Furniture
- (xix) The nature of Allowance for Deprecation is:
- ♦ Assets ♦ Liabilities ♦ Contra Assets ♦ Expenses
- (xx) Advance received from customers is classified as:
- ♦ Assets ♦ Liabilities ♦ Proprietorship ♦ Revenues