

Chapter 1: Introduction to Book-Keeping and Accountancy

- 1) Surplus of income over expenses is _____.
a) Profit b) Deficit c) Loss d) Financial Statements
- 2) In _____ basis of accounting, actual cash receipts and actual cash payments are recorded.
a) Accrual b) Hybrid c) Cash d) Mercantile
- 3) Amount which is not recoverable from customer is known as _____.
a) Bad Debts b) Debts c) Debtors d) Doubtful debts
- 4) Accounts must be honestly prepared and they must disclose all material information is known as _____.
a) Entity Concepts b) Dual Aspect Concept c) Disclosure Concept d) Cost Concept
- 5) A commodity in which a trader deals is known as _____.
a) Goods b) Income c) Property d) Expenditure
- 6) _____ means a reputation of a business valued in terms of money.
a) Trademark b) Assets c) Patents d) Goodwill
- 7) Cash flow statement is prepared and presented for the period for which the profit and loss account is prepared.
a) AS-3 b) AS-10 c) AS-6 d) AS-2

8) The immediate recognition of loss is supported by principle of _____.

a) **Conservatism** b) Objective c) Matching d) Consistency

9) Brief explanation of an entry is called as _____.

a) Folio b) **Narration** c) Posting d) Journalising

10) An act of exchange of things or services between the two parties is termed as _____.

a) Ledger b) Transfer c) **Transaction** d) Business

Chapter2: Meaning and fundamentals of Double Entry Book-keeping

1) International Accounting day is observed on
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a) **10th November** b) 12th November

c) 10th December d) 15th December

2) Conventional system of accounting is

a) English entry system b) Double entry system

c) **Indian system** d) None of these

3) Every debit has corresponding

a) Debit b) **Credit** c) Right hand side d) None of these

4) Radha`s Account is a type of account.

a) Nominal b) **Personal** c) Real d) Expenses

5) Machinery Account is account.

- a) Nominal b) Income c) Personal d) **Real**
- 6) Goodwill is asset.
- a) Tangible b) Current c) **an intangible** d) None of these
- 7) Prepaid expenses is account.
- a) Real b) **Personal** c) Nominal d) Income
- 8) Debit the receiver, Credit the
- a) Goes out b) **Giver** c) Income and gains d) Comes in
- 9) Debit what comes in, Credit what
- a) Giver b) Expenses and losses
- c) **Goes out** d) Income and gains
- 10) Debit all and Credit all income and gains.
- a) Giver b) **Expenses and losses** c) Goes out d) None of these

Chapter3: Journal

- 1) means explanation of the transactions recorded in the Journal.
- a) **Narration** b) Journalising c) posting d) Casting
- 2) discount is not recorded in the books of accounts.
- a) **Trade** b) Cash c) GST d) VAT
- 3) Recording of transaction in Journal is called
- a) posting b) **journalising** c) narration d) prime entry
- 4) Every Journal entry require

a) casting b) posting c) narration d) journalising

5) The column of the Journal is not recorded at the time of journalising.

a) date b) particulars c) ledger folio d) amount

6) Goods sold on credit should be debited to

a) purchase A/c b) customer A/c c) sales A/c d) cash A/c

7) Wages paid for installation of Machinery should be debited to

a) wages A/c b) machinery A/c c) cash A/c d) Installation A/c

8) The commission paid to the agent should be debited to

a) drawing A/c b) cash A/c c) commission A/c d) Agent A/c

9) Loan taken from Dena Bank should be credited to

a) Capital A/c b) Dena Bank A/c c) Cash A/c d) Dena Bank Loan A/c

10) Purchase of animals for cash should be debited to

a) Livestock A/c b) Goods A/c c) Cash A/c d) Bank A/c