Objective Types Questions

1. Double entry system keeps records of:
   a) Personal A/c
   b) Real A/c
   c) Nominal A/c
   d) All of these
2. The first stage of double entry system is:
   a) Original records
   b) Posting
   c) Classification
   d) Trial balance
3. A loss arising due to theft, fire etc. is:
   a) Real A/c
   b) Personal A/c
   c) Nominal A/c
   d) Expenses A/c
4. No journal entry is made for
   a) Trade discount
   b) Cash discount
   c) Both of them
   d) Non of them
5. IF Cheque received is not deposited in Bank on the same day, which account is debited?
   a) Bank A/c
   b) Cash A/c
   c) Customers A/c
   d) None of these
6. Cash book is a:
   a) Memorandum Book
   b) Principal Book
   c) Subsidiary Book
   d) None of these
7. Credit Balance of Bank, Account indicator
   a) Deposit with bank
   b) Overdraw fro Ban
   c) Bank loan
   d) None of these
8. The balance of petty cash book is:
   a) An current asset
   b) A liability
   c) Expenses
   d) None
9. The discount column in Triple column cash book record:
   a) Trade discount
   b) Cash discount
   c) Seasonal discount
   d) All of them
10. Ledger is a :
   a) Personal A/c
   b) Real A/c
   c) Nominal A/c
   d) King of book
11. The main object of ledger is to know:
   a) Total sales
   b) Total purchases
   c) Profit and loss & business
   d) Net effect of all the similar nature transaction
12. Suspense A/c is open for the purpose of balancing:
   a) Personal A/c
   b) Real A/c
   c) Nominal A/c
   d) Trial Balance
13. A statement of balance of all accounts taken from the ledger is called:
   a) Trial Balance
   b) Balance sheet
   c) Statement of A/c
   d) None of these
14. Trial balance is prepared to find out:
   a) Errors to Principles
   b) Errors of Commission
   c) Errors of omission
   d) Arithmetical errors
15. If a Trial Balance does not agree, then Accountant opens:
   a) Drawing A/c
   b) Suspense A/c
   c) Capital A/c
   d) Nominal A/c
16. Outstanding Expenses Account is a:
   a) Personal A/c
   b) Real A/c
   c) Nominal A/c
   d) None of these
17. Depreciation of Machinery should be calculated:
   a) On the finger given in Trial Balance
   b) After deducting Installation Expenses in it
   c) After adding Installation in it
   d) Before adding Installation Expenses to it
18. The debts, which may or may not be realized are called,
   a) Doubtful Debts
   b) Bad debt
   c) Good debt
   d) Bad & doubtful debts

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19. A manager is entitled to receive commission @ 5% on net profit before charging such commission. Gross profit of the firm is Rs. 80,000 & selling expenses amounted to Rs. 59,000, His commission will be:
    a) Rs. 2100 c) Rs. 1000
    b) Rs. 1050 d) Rs. 4000
20. Sell is:
    a) Cost of Good sold – gross profit c) Cost of Good sold + Net profit
    b) Cost of Good sold + Gross profit d) None of the above
21. An increase in the provision for doubtful Debt would result in:
    a) An increase in liabilities c) A decrease in net profit
    b) A decrease in working capital d) An increase in net profit
22. Goodwill is :
    a) A current asset c) A tangible fixed assets
    b) An intangible fixed assets d) An investment
23. Closing stock is valued at:
    a) Cost price c) Cost or market rice whichever is lower
    b) Market price d) None of these
24. The excess of debit in trading account is called:
    a) Net profit c) Gross profit
    b) Net loss d) Gross loss
25. Interest on capital should generally be regarded as:
    a) An appropriation of profit c) An expenses
    b) As asset d) An income
26. Trading Account is prepared:
    a) For a particular period c) For the whole year
    b) On a particular date d) On a particular day
27. Which of the following appear in debit side of Trading Account:
    a) Salaries & Wages c) Salary
    b) Wages & salaries d) Outstanding salary
28. Profit & loss Account is prepared to find out:
    a) Gross profit c) Net loss
    b) Net profit d) Net financial position
29. Final Account is:
    a) Account c) Accounts & Statement
    b) Statement d) Ledger
30. The main object of Final Account is
    a) To know net deposit c) To know sales
    b) To know capital d) To know Financial position
31. Under Fixed Installment method amount of depreciation goes on:
    a) Decreasing c) Constant
    b) Increasing d) None of these
32. The residual valued useful life of an asset is :
    a) Estimated c) Calculated
    b) Actual d) None
33. Balance of departmental profit & loss will be transferred:
    a) In Trading A/c c) In Balance sheet
    b) In General profit & loss A/c d) In P & L Appropriation A/c
34. Interest on loan is shown in the
    a) Departmental Trading A/c c) General profit & loss A/c
    b) Departmental P & L A/c d) None of these
35. Expenses allocated according to sales ratio of the department are :
    a) Sales commission c) Rent of Building
    b) Medical expense d) Repair
36. Local taxes is allocated in different department:
    a) Time basis c) On the basis of area of each departments
    b) Sale basis d) None of these
37. The expenses, which are not departmental
    a) Are charged to departments in sales ratio c) Are charged to Balance Sheet
    b) Are charged to general P & L A/c d) None of these

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38. If the rate of Gross Profit for department "N" is 25% of cost. The amount of gross profit on a turnover of Rs. 4,00,000, will be
    a) Rs. 40000 c) Rs. 60000
    b) Rs. 80000 d) Rs. 100000
39. Interest on capital is shown in the
    a) Departmental trading A/c c) General P & L A/c
    b) Department P & L A/c d) None of these
40. If rate of Gross Profit for department "M" is 20% the amount of Gross rofit on a turnover of Rs. 4,00,000 will be
    a) Rs. 40000 c) Rs. 60000
    b) Rs.80000 d) Rs.100000
41. Branch Adjustment account is prepared by
    a) Department branch c) Independent branch
    b) Head office department branch d) H.O. of independent branch
42. In order to find out the amount of closing stock, we have to prepare:
    a) Head office account c) Memorandum stock A/c
    b) Head office stock account d) Branch A/c
43. To be shown in the branch A/c :
    a) Credit sale c) Goods return by customers
    b) Bad debt d) Goods transferred to other branch
44. Will not be included in Branch Account:
    a) Remittance to H.O. c) Goods return to H.O.
    b) Closing Stock d) Bad debt
45. The closing of branch will be included in:
    a) Cash purchases c) Cash sales
    b) Credit purchases d) Credit sales
46. Independent branch is that which:
    a) Deal in business in large scale c) Purchase goods in own A/c
    b) Independent in doing any work d) Does not obey the order of H.O.
47. Dependent branch is that which:
    a) Purchases own goods c) Received goods from H.O.
    b) Purchase goods in less quantity d) Purchase goods from market H.O.
48. In case of Foreign branch the account in H.O. & Branch office are kept:
    a) In H.O. currency c) In their own currency
    b) In Branch office country currency d) In foreign country's currency
49. In case of foreign branch the amount of creditors will be converted in
    a) Closing rate c) Average rate
    b) Opening rate d) None
50. The meaning of 20% profit on sales in cost is:
    a) 10% c) 25%
    b) 16 2/3 % d) 33 1/3 %

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