

MULTIPLE CHOICE QUESTIONS

1. In relation to consignment accounts —
 - (A) Consignor sends 'Account Sale' to consignee;
 - (B) Debtors sends 'Account Sale' to consignor;
 - (C) Consignee sends 'Account Sale' to consignor;
 - (D) Consignee sends 'Account Sale' to consignor.

2. Which of the following items is not included in the 'Account Sale?'
 - (A) Goods sold by consignee
 - (B) Expenses of consignment incurred by consignee
 - (C) Claim paid by insurance company
 - (D) Advance against consignment paid to consignee

3. In case of 'del-credere' commission being allowed to consignee, any bad-debt in consignment business, following entry will be passed;
 - (A) Consignor's account shall be debited
 - (B) Debtor's account shall be debited
 - (C) Commission account shall be debited
 - (D) Consignor's account shall be credited

4. When Consignment account is prepared at Invoice price, the profit element included in the closing stock valued at invoice price shall be —
 - (A) Debited to 'Goods sent on consignment account'
 - (B) Debited to 'Consignee account'
 - (C) Credited to 'Consignment Stock Reserve account'
 - (D) Debited to 'Consignment Stock Reserve account'

5. If market price of closing stock is also known while preparing Consignment account —
 - (A) Closing stock will be valued at cost
 - (B) Closing stock will be valued at market price
 - (C) Closing stock is to be valued at cost or market price, whichever is lower
 - (D) Closing stock is to be valued at cost or market price, whichever is higher

6. The abnormal loss is debited to following accounts;
 - (A) Consignment
 - (B) General Profit and Loss A/c
 - (C) Consignee
 - (D) Insurance company

7. When Branch pays expenses for H.O. the following account is debited in the books of the branch —
 - (A) Expenses is debited
 - (B) H.O. a/c is debited
 - (C) Branch is debited

(D) None

8. Under the stock and debtor system, Branch A/c is treated as–
- (A) Joint a/c
 - (B) Nominal a/c
 - (C) Personal xc
 - (D) Real a/c
9. When Branch assets xc is kept in the books of H.O., the H.O. will debit following a/c for its depreciation–
- (A) Branch P & L a/c
 - (B) Depreciation a/c
 - (C) Branch a/c
 - (D) None
10. For finding the amount of sundry expenses paid by the branch, the following a/c should be prepared.
- (A) Computer a/c
 - (B) Creditors
 - (C) Petty cash a/c
 - (D) Debtors
11. If the opening balance of petty cash is Rs 1000 , closing balance is Rs 500 and the petty cash received from HO is Rs 700 , then what will be the amount of sundry expenses–
- (A) Rs 1200
 - (B) Rs 800
 - (C) Rs 700
 - (D) Rs 500
12. Which of the following branches, taking into consideration the scope of authority and responsibility, prepares its own independent final accounts?
- (A) Independent Branch
 - (B) Foreign Branch
 - (C) Dependent branch
 - (D) Independent and Foreign branch both.
13. Opening balance of debtors a/c is Rs 1,40,000. Credit sales is Rs 10,74,000 and closing balance of Debtors a/c is Rs 1,90,000. What is the amount of cash collection from the debtors?
- (A) Rs 10,24,000
 - (B) Rs 8,84,000
 - (C) Rs 11, 52,000
 - (D) Rs 8,42,000
14. Goods in transit are shown in the balance sheet at –
- (A) Head office
 - (B) Branch

- (C) Both
- (D) None of above.

15. If the opening and closing balance of debtors a/c is Rs 50,000 and Rs 40,000 respectively, cash received from debtors Rs 1,10,000 and bad debts are Rs 4,000 then what will be the amount of credit sales?
- (A) Rs 110000
 - (B) Rs 100000
 - (C) Rs 102000
 - (D) Rs 104000
16. During the year branch has incurred petty cash expenses of Rs 20,000. In the beginning of the year balance of petty cash was Rs 6,000 and at the end of the year balance is Rs 600. How much amount HO had send to branch for petty cash?
- (A) Rs 13800
 - (B) Rs 14600
 - (C) Rs 15300
 - (D) Rs 12900
17. Which of the following is correct?
- a. Dependent branch prepares complete set of books of accounts
 - b. Dependent branch prepares its own balance sheet
 - c. An independent branch maintains all books of accounts and prepares its final accounts
 - d. None of the above
18. The adjusting entry for difference between the invoice price and cost price of goods are shown in-
- (A) Balance sheet
 - (B) P & L a/c
 - (C) Branch adjustment a/c
 - (D) None of above
19. Stock and debtors system is generally used when goods are sent to the branch at —
- (A) Cost price
 - (B) Invoice price
 - (C) Both
 - (D) None
20. Goods sent by HO but not received by branch before the end of the year, by debiting it to goods in transit, which account should be credited?
- (A) Cash a/c
 - (B) HO a/c
 - (C) Trading a/c
 - (D) Branch a/c
21. Debtors Account is prepared to find out-

- (a) The amount of B/R accepted by the Debtors
 - (b) The amount paid against the Bills Payable
 - (c) The amount of B/P accepted
 - (d) Amount of Bills receivable dishonored.
22. When B/R endorsed to creditors is dishonoured-
- (a) Debtors A/c is debited and Creditors A/c is credited
 - (b) Creditor A/c is debited and Debtors A/c is credited
 - (c) B/R A/c is debited and Creditors A/c is credited
 - (d) Creditors A/c is debited and B/R A/c is credited
23. In popular single entry, following books are kept-
- a. Only cash book
 - b. Purchase and Sale Book
 - c. All Ledger account in Ledger
 - d. All Subsidiary books
24. Effects of dishonour of B/R is given —
- (a) Only in the B/R A/c
 - (b) In debtor A/c and B/R account
 - (c) Only in the Debtor A/c
 - (d) Only in the B/P A/c
25. Creditors Account is prepared to find out the-
- a. Amount of Bills Payable
 - b. Amount of Bills Receivable
 - c. Amount of B/R dishonoured
 - d. Amount received against B/R
26. Which equation is not correct from the following equation —
- (a) $COGS = \text{Opening Stock} + \text{Purchase} - \text{Closing Stock}$
 - (b) $\text{Closing stock} = \text{Opening Stock} + \text{Purchase} - \text{Cost of goods sold}$
 - (c) $\text{Opening Stock} = \text{Closing stock} + \text{Purchase} - \text{Cost of goods sold}$
 - (d) $\text{Purchases} = \text{Closing stock} + \text{Cost of Goods sold} - \text{Opening stock}$
27. Generally depreciation on fixed assets is calculated on which balance?
- a. Opening
 - b. Closing
 - c. Only on additional
 - d. Amount realized on asset sold
28. Interest on capital is calculated on which capital-
- a. Opening Capital
 - b. Closing Capital
 - c. Closing Stock
 - d. Opening Stock
29. What does it mean if machinery closing amount is less than opening amount-
- a. Sale

- b. Purchase
 - c. Fraud
 - d. Theft
30. To find out profit as per Single Entry System
- a. Bills payable a/c is to be prepared
 - b. Bills receivable a/c is to be prepared
 - c. Profit and Loss ac is to be prepared
 - d. Stock a/c or Trading a/c is to be prepared
31. Which account is prepared to know cash purchase or cash sales ?
- a. Trading Account
 - b. Debtor's Account
 - c. Creditor's Account
 - d. Cash A/c
32. For finding credit sales, Which account is prepared?
- a. Debtor's A/c
 - b. P & L A/c
 - c. Creditors A/c
 - d. Receipt & Payment A/c
33. A Single Entry System is —
- a. Complete and scientific system
 - b. Incomplete and unscientific
 - c. Incomplete and scientific
 - d. Complete and unscientific
34. Bad debts written off always affected the-
- a. Debtors A/c
 - b. Creditor A/c
 - c. Cash A/c
 - d. None of these
35. Single entry system of book keeping is generally followed by —
- a. Small business
 - b. Non-trading
 - c. Large Business
 - d. None of these
36. Single entry system cannot be maintained by —
- a. Joint Stock Company
 - b. Partnership A/c
 - c. Sole tradership A/c
 - d. All of these
37. Which is the odd account from the following accounts in context to debit balance or credit balance?
- a. Creditors Account

- b. Bills Receivable Account
 - c. Cash Account
 - d. Debtors Account
38. Which is the odd account from the following accounts in context to debit balance or credit balance?
- a. Bills Payable Account
 - b. Creditors Account
 - c. Bills Receivable Account
 - d. Capital Account
39. Fire insurance provides cover for:
- (a) Tangible assets
 - (b) Intangible assets
 - (c) Fictitious assets
 - (d) Business employees
40. The difference between standard turnover and actual turnover during the indemnity period is :
- (a) Short Sales
 - (b) Actual Sales
 - (c) Total Sales
 - (d) None of the above
41. A fire insurance policy is taken out to indemnify:
- (a) Capital losses and revenue losses of tangible assets
 - (b) Revenue losses of tangible assets
 - (c) Capital losses of intangible assets
 - (d) None of the above
42. Cost of machinery 60,000, Insurance Policy includes Average Clause 50,000, Goods saved 6,000, Amount of Claim will be:
- (a) 45,000
 - (b) 60,000
 - (c) 50,000
 - (d) None of above
43. Value of goods destroyed is 48,000, Goods saved 12,000, Amount of insurance policy was 40,000 which include average clause then amount of claim is:
- (a) 32,000
 - (b) 40,000
 - (c) 48,000
 - (d) 12,000
44. Fire insurance provides cover for
- A. Tangible assets.
 - B. Intangible assets.
 - C. Fictitious assets.
 - D. None of the above.

45. The average clause in a loss of profits policy protects by
- A. Insured
 - B. Insurer
 - C. Workers
 - D. None of the above
46. Fire insurance policy can be taken for
- A. loss of stock.
 - B. loss of profit.
 - C. life of a partner.
 - D. loss of stock or/and loss of profit.
47. The stock which is rescued from fire is
- A. scrap.
 - B. defectives.
 - C. salvaged stock.
 - D. claim.
48. Closing stock on the date of fire is Rs. 50,000 and the stock salvaged is Rs. 23,000.
The claim is
- A. Rs. 23,000.
 - B. Rs. 27,000.
 - C. Rs. 50,000.
 - D. Rs. 73,000.
49. Memorandum trading a/c is prepared to know the
- A. claim
 - B. closing stock.
 - C. gross profit.
 - D. purchase.
50. Value of closing stock on the date of fire is Rs.30,000. Value of policy is Rs. 25,000 and stock salvaged is Rs. 7,500. Find out the claim
- A. Rs. 18,750.
 - B. Rs. 25,000.
 - C. Rs. 30,000.
 - D. . Rs. 50,000
51. The period for which insurance policy is taken against the risk of fire is
- A. accounting period.
 - B. calendar period.
 - C. indemnity period
 - D. standard period.
52. The difference between standard turnover and affected period turnover is
- A. short sales.
 - B. annual turnover.
 - C. accounting year turnover.

D. saved turnover.

53. Memorandum trading a/c is prepared for period from
- A. 1st Jan. to 31st Dec.
 - B. 1st Apr. to 31st Mar.
 - C. opening date of accounting period to date office.
 - D. opening date of accounting period to closing date of accounting.
54. For calculation of loss of profit, GP ratio is calculated by
- A. $\frac{\text{Gross profit}}{\text{Accounting period turnover}} \times 100$.
 - B. $\frac{\text{Gross profit}}{\text{Standard turnover}} \times 100$.
 - C. $\frac{\text{Net profit} + \text{insured standing charges}}{\text{Accounting period turnover}} \times 100$.
 - D. $\frac{\text{Net profit} + \text{insured standing charges}}{\text{Standard turnover}} \times 100$.
55. Average clause cannot be applied in the following case
- A. Total claim is more than the gross profit of annual turnover.
 - B. Total claim is less than the gross profit of annual turnover.
 - C. Total claim is more than the policy amount
 - D. Total claim is less than the policy amount
56. In order to calculate value of closing stock, which a/c is to be prepared
- A. P&L a/c.
 - B. P&L appropriation a/c.
 - C. Memorandum trading a/c.
 - D. Memorandum P&L a/c.
57. Stock on the date of valuation is Rs. 2,70,000. It had been undervalued by 10%. Actual value is
- A. Rs. 2,77,000.
 - B. Rs. 2,97,000.
 - C. Rs. 3,00,000
 - D. Rs. 3,07,000.
58. Stock on the date of valuation is Rs. 88,000 but it had been overvalued by 10%. Actual value is
- A. Rs. 80,000.
 - B. Rs. 84,000.
 - C. Rs. 86,000
 - D. Rs. 96,000.
59. The clause through which the insurance claim due to loss of stock is reduced to the proportion that the policy value is
- a. Total clause
 - b. minimum clause
 - c. maximum clause
 - d. Average clause

60. than the value of stock it is called under insurance?
- Endowment
 - Life policy
 - Accident policy
 - Insurance policy
61. Insurance claim is a claim by the insurance company
- Lodged
 - Longed
 - Launged
 - Laughed
62. Consequential loss policy is also known as _____
- Loss of cost policy
 - Loss of profit policy
 - Loss of Operation cost policy
 - Loss of operating expenses policy.
63. _____ is prepared to find out the stock as on the date of fire
- Trading account
 - Profit and loss account
 - Manufacturing account
 - Memorandum trading account
64. _____ is the difference between standard sales and actual sales of dislocated period.
- Short sales
 - Total sales
 - Gross sales
 - Net sales
65. The turnover during that period in the twelve month immediately before the date of damage which corresponds with the indemnity period is called _____
- Annual turnover
 - Standard turnover
 - Total turnover
 - Net turnover
66. The claim lodged by the business to insurance company on happening the event.
- Claim
 - Loss of claim
 - Discharge
 - Insurance claim
67. The account prepared to find out the stock as on the date of fire _____
- Trading a/c
 - Stock a/c
 - Memorandum trading a/c
 - Loss of stock a/c

68. the insurance claim due to loss of stock is reduced to the proportion that the policy value bears to the value of stock
- average clause
 - Minimum clause
 - Maximum clause
 - Loss of profit clause
69. The insurance policy is less than the value of stock
- Double insurance
 - Re-insurance
 - Under insurance
 - Over insurance
70. The insurance indemnifies the insured any loss of profit arising from interruption of the normal activity
- Loss of profit insurance
 - Full insurance
 - Total insurance
 - Fire insurance
71. The claim lodged by the business to the insurance company on happening the event of loss is called _____
- Insurance policy
 - Insurance claim
 - Insurance premium
 - None of these
72. When a fixed asset is destroyed, the loss of such asset on the date of fire can be ascertained from
- Records
 - Accountant
 - Books of accounts
 - None of these
73. When stock is destroyed the _____ of loss is difficult
- Computation
 - Reduction
 - Deduction
 - Allocation
74. Business concern often suffer _____ due to different reasons such as fire, theft, flood, strike, etc
- Normal losses
 - Abnormal losses
 - Natural losses
 - None of these

75. A set of _____ is to be followed to file a claim with the insurance company 3.
- Rules
 - Policies
 - Procedure
 - None of these
76. Salvage value of stock to be _____ from book value of stock
- Added
 - Deducted
 - Corrected
 - None of these
77. Average clause is a _____ in the insurance company.
- Reserve
 - Fund
 - Provision
 - None of these
78. Fire insurance policies contain an “ _____ ” to discharge under insurance
- Total clause
 - Net clause
 - Gross clause
 - Average clause
79. Fire insurance policies contain an “average clause” to discourage _____
- Over insurance
 - Fire insurance
 - Under insurance
 - None of these
80. Net claim on under insurance is equal to loss of stock x value of stock on the date of fire
- Policy value
 - Total value
 - Total sales
 - None of these
81. Gross profit on short sales are calculated as
- Gross profit x operating ratio
 - Short sales x gross profit ratio
 - Short sales x net profit ratio
 - Short sales x operating ratio
82. Short sales is the difference between _____ and actual sales of dislocated period
- Net sales
 - Gross sales
 - Standard sales
 - Total sales.

83. The amount of insurance _____ to be paid at regular intervals
- Policy
 - Claim
 - Commission
 - Premium
84. At the time of calculating insurance claim, the average clause is _____ if the value of stock at the date of fire was more than the policy value.
- Applicable.
 - Obtainable
 - Receivable
 - Payables.
85. Fire insurance policy can be taken for
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92. For calculation of loss of profit, GP ratio is calculated by
- Gross profit = ----- X 100. Accounting period turnover
 - Gross profit = X 100. Standard turnover
 - Net profit + insured standing charges = X 100. Accounting period turnover
 - Net profit + insured standing charges = -----X 100. Standard turnover
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97. Branch which does not maintain its own set of books is
- dependent branch.
 - independent branch.
 - foreign branch.
 - local branch
98. The business policies and the administration of a branch are wholly controlled by the head office the type of branch is
- independent branch.

- b. dependent branch.
 - c. local branch
 - d. foreign branch.
99. A branch set up merely for booking orders which are executed by head office is
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100. Branches not keeping full system of accounting are
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101. All branch expenses such as rent, salary, are paid by the head office in case of
- a. independent branch.
 - b. . local branch.
 - c. local branch.
 - d. dependent branch.
102. Dependent branch make
- a. only cash sales.
 - b. only credit sales.
 - c. cash and credit sales.
 - d. installment sales.
103. Under stock and debtors system the head office opens
- a. branch adjustment account.
 - b. branch debtors account.
 - c. branch creditors account .
 - d. branch cash account.
104. In branch account, goods sent by branch X to branch Y, will be debited to
- a. branch k.
 - b. branch x.
 - c. branch z .
 - d. branch y.
105. Under branch accounts debtors system, the depreciation of an asset is
- a. show in debtors account.
 - b. shown in debit side of branch account.
 - c. not shown in branch account
 - d. shown in credit side of branch account.

106. Under branch accounts debtors system, opening balance of assets are recorded in
- credit side.
 - debit side.
 - first credit and debit side.
 - first debit and credit side.
107. Under branch accounts debtors system, closing balance of assets are recorded in
- credit side.
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110. Under branch accounts debtors system, goods sent to branch account is recorded in
- debit side.
 - credit side.
 - asset side .
 - liabilities side.
111. Under branch accounts debtors system, loading on goods sent to branch adjusted in
- debit side.
 - credit side.
 - asset side
 - liabilities side.
112. Under branch accounts debtors system, bad debts, discount allowed to debtors is
- shown in debit side.
 - shown in credit side.
 - shown in asset side .
 - not shown
113. Under branch accounts debtors system, both cash and credit sales are
- shown in debit side.
 - shown in credit side.

- c) shown in asset side
- d) . not shown.

114. The difference between goods sent by head office and received by the branch is known as

- a) goods in transit.
- b) goods in godown.
- c) goods in production.
- d) goods in warehouse.

115. Under stock and debtors system of branch account, branch adjustment account is opened when goods sent to branch is at

- a) cost price.
- b) . invoice price.
- c) market price
- d) normal price.

116. Under stock and debtors system of branch account, the account prepared to record all the transactions relating to branch debtors is recorded in

- a) branch expenses account
- b) branch adjustment account.
- c) branch debtors account.
- d) branch creditors account.

117. In pure single entry which account is recorded

- a) Personal.
- b) . Real.
- c) Nominal.
- d) Asset.

118. All personal, real and nominal accounts are opened in

- a) single entry system.
- b) double entry system.
- c) accrual system.
- d) mercantile system.

119. Only personal account and cash account are opened in

- a) single entry system.
- b) double entry system.
- c) accrual system.
- d) mercantile system.

120. Trial balance can be prepared in

- a) single entry system.
- b) . double entry system.
- c) accrual system.
- d) mercantile system.

121. Trial balance cannot be prepared in
- single entry system.
 - double entry system.
 - accrual system.
 - mercantile system.
122. Balance sheet can be prepared
- in single entry system.
 - . in double entry system.
 - with the help of cash book.
 - with the help of bank account.
123. Outstanding Expenses are recorded on _____
- Debt side of P&L account
 - Asset side of balance sheet
 - Liability side of balance sheet
 - Debt side of Trading account
124. Balance sheet cannot be prepared
- in single entry system.
 - in double entry system.
 - with the help of cash book.
 - with the help of bank account.
125. In single entry system, net worth method is also called
- double entry system
 - mercantile system.
 - statement of affairs method.
 - accrual system.
126. Difference between net worth at the beginning of the year and at the end of the year represents
- capital balance.
 - . cash balance.
 - pass book balance.
 - profit or loss.
127. Opening capital can be found by preparing
- cash book.
 - . bank account.
 - statement of affairs.
 - statement of bank pass book.
128. A statement of affairs is just like a _____
- balance sheet.
 - profit and loss account.
 - cash account.

- d) trading account.
129. In statement of affairs assets are shown on the _____
- . right hand side.
 - left hand side.
 - . left hand side top.
 - left hand side bottom.
130. In statement of affairs liabilities are shown on the
- right hand side.
 - left hand side.
 - right hand side top.
 - right hand side bottom.
131. Under single entry system, closing capital can be found by preparing a statement of affairs
- at the end of the year.
 - at the beginning of the year.
 - at the end of every month.
 - at the end of every quarter.
132. Under single entry system, opening capital can be found by preparing a statement of affairs
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149. Under branch accounts debtors system, both cash and credit sales are
- shown in debit side.
 - shown in credit side.
 - shown in asset side
 - . not shown.
150. The difference between goods sent by head office and received by the branch is known as
- goods in transit.
 - goods in godown.
 - goods in production.
 - goods in warehouse.
151. Under stock and debtors system of branch account, branch adjustment account is opened when goods sent to branch is at
- cost price.
 - . invoice price.

- c) market price
- d) normal price.

152. Under stock and debtors system of branch account, the account prepared to record all the transactions relating to branch debtors is recorded in

- a) branch expenses account
- b) branch adjustment account.
- c) branch debtors account.
- d) branch creditors account.

153. In pure single entry which account is recorded

- a) Personal.
- b) . Real.
- c) Nominal.
- d) Asset.

154. All personal, real and nominal accounts are opened in

- a) single entry system.
- b) double entry system.
- c) accrual system.
- d) mercantile system.

155. Only personal account and cash account are opened in

- a) single entry system.
- b) double entry system.
- c) accrual system.
- d) mercantile system.

156. Trial balance can be prepared in

- a) single entry system.
- b) . double entry system.
- c) accrual system.
- d) mercantile system.

157. Trial balance cannot be prepared in

- a) single entry system.
- b) double entry system.
- c) accrual system.
- d) mercantile system.

158. Balance sheet can be prepared

- a) in single entry system.
- b) . in double entry system.
- c) with the help of cash book.
- d) . with the help of bank account.

159. Outstanding Expenses are recorded on _____
- a) Debt side of P&L account
 - b) Asset side of balance sheet
 - c) Liability side of balance sheet
 - d) Debt side of Trading account
160. Balance sheet cannot be prepared
- a) in single entry system.
 - b) in double entry system.
 - c) with the help of cash book.
 - d) with the help of bank account.
161. In single entry system, net worth method is also called
- a) double entry system
 - b) mercantile system.
 - c) statement of affairs method.
 - d) accrual system.
162. Difference between net worth at the beginning of the year and at the end of the year represents
- a) capital balance.
 - b) . cash balance.
 - c) pass book balance.
 - d) profit or loss.
163. Opening capital can be found by preparing
- a) cash book.
 - b) . bank account.
 - c) statement of affairs.
 - d) statement of bank pass book.
164. A statement of affairs is just like a _____
- a) balance sheet.
 - b) profit and loss account.
 - c) cash account.
 - d) trading account.
165. In statement of affairs assets are shown on the _____
- a) . right hand side.
 - b) left hand side.
 - c) . left hand side top.
 - d) left hand side bottom.
166. In statement of affairs liabilities are shown on the
- a) right hand side.
 - b) left hand side.
 - c) right hand side top.

- d) right hand side bottom.
167. Under single entry system, closing capital can be found by preparing a statement of affairs
- a) at the end of the year.
 - b) at the beginning of the year.
 - c) at the end of every month.
 - d) at the end of every quarter.
168. Under single entry system, opening capital can be found by preparing a statement of affairs
- a) at the end of the year.
 - b) at the beginning of the year.
 - c) at the end of every month.
 - d) at the end of every quarter
169. Under single entry system in net worth method, drawings is added with
- a) opening capital.
 - b) closing capital.
 - c) additional capital.
 - d) drawings.
170. Under single entry system in net worth method, additional capital is deducted with
- a) opening capital.
 - b) closing capital.
 - c) additional capital.
 - d) drawings.
171. Under single entry system in net worth method, opening capital is subtracted from
- a) opening capital
 - b) closing capital.
 - c) additional capital
 - d) drawings.
172. Under single entry system in conversion method, a total debtors account is prepared to find out
- a) credit sales.
 - b) . cash sales
 - c) credit purchases.
 - d) . cash purchases.
173. Under single entry system in conversion method, a total debtors account is prepared to find out
- a) credit purchases.
 - b) cash purchases.
 - c) cash purchases.
 - d) closing balance of debtors.

174. Debtors account is a
- a) personal account.
 - b) real account.
 - c) nominal account.
 - d) cash account.
175. Total creditors account is prepared to find out
- a) credit sales.
 - b) . cash sales.
 - c) credit purchases.
 - d) cash purchases.
176. Total creditors account is prepared to find out
- a) opening balance of debtors .
 - b) closing balance of debtors.
 - c) opening balance of creditors.
 - d) closing balance of creditors.
177. A bills receivable account is prepared to ascertain bills
- a) accepted.
 - b) received.
 - c) drawn.
 - d) endorsed.
178. A bills payable account is prepared to ascertain bills
- a) . accepted.
 - b) received.
 - c) drawn.
 - d) endorsed.
179. Bills receivable dishonored will be posted to side of debtors account
- a) debit.
 - b) credit.
 - c) outside.
 - d) . inside.
180. Bills receivable dishonored will be posted in
- a) debit.
 - b) credit.
 - c) . outside .
 - d) inside.
181. Transfer to creditors account will be posted in which side of debtors account
- a) Debit.
 - b) Credit.
 - c) Outside.
 - d) Inside.

182. Transfer to creditors account will be posted in which side of creditors account

- a) Debit.
- b) . Credit.
- c) Outside.
- d) . Inside.

183. Bills payable dishonoured will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

184. Bills payable dishonoured will be posted in which side of bills payable account

- a) Debit.
- b) Credit.
- c) Outside.
- d) . Inside.

185. Opening balance of debtors will be posted in which side of debtors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) . Inside.

186. Closing balance of debtors will be posted in which side of debtors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

187. Closing balance of creditors will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

188. Opening balance of creditors will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) . Outside.
- d) . Inside.

189. Cash account opening balance will appear in

- a) debit .
- b) . credit.
- c) . outside.
- d) . inside.

190. Cash account closing balance will appear in
- debit .
 - . credit.
 - outside.
 - . inside.
191. Bills payable account opening balance will appear in
- . debit .
 - credit.
 - outside.
 - inside.
192. Bills payable account closing balance will appear in
- debit .
 - credit.
 - outside.
 - . inside.
193. Bills receivable account opening balance will appear in
- debit .
 - credit.
 - outside.
 - inside.
194. Under single entry system in net worth method, drawings is added with
- opening capital.
 - closing capital.
 - additional capital.
 - drawings.
195. Under single entry system in net worth method, additional capital is deducted with
- opening capital.
 - closing capital.
 - additional capital.
 - drawings.
196. Under single entry system in net worth method, opening capital is subtracted from
- opening capital
 - closing capital.
 - additional capital
 - drawings.
197. Under single entry system in conversion method, a total debtors account is prepared to find out
- credit sales.
 - . cash sales
 - credit purchases.

d) . cash purchases.

198. Under single entry system in conversion method, a total debtors account is prepared to find out

- a) credit purchases.
- b) cash purchases.
- c) cash purchases.
- d) closing balance of debtors.

199. Debtors account is a

- a) personal account.
- b) real account.
- c) nominal account.
- d) cash account.

200. Total creditors account is prepared to find out

- a) credit sales.
- b) . cash sales.
- c) credit purchases.
- d) cash purchases.

201. Total creditors account is prepared to find out

- a) opening balance of debtors .
- b) closing balance of debtors.
- c) opening balance of creditors.
- d) closing balance of creditors.

202. A bills receivable account is prepared to ascertain bills

- a) accepted.
- b) received.
- c) drawn.
- d) endorsed.

203. A bills payable account is prepared to ascertain bills

- a) . accepted.
- b) received.
- c) drawn.
- d) endorsed.

204. Bills receivable dishonored will be posted to side of debtors account

- a) debit.
- b) credit.
- c) outside.
- d) . inside.

205. Bills receivable dishonored will be posted in

- a) debit.

- b) credit.
- c) . outside .
- d) inside.

206. Transfer to creditors account will be posted in which side of debtors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

207. Transfer to creditors account will be posted in which side of creditors account

- a) Debit.
- b) . Credit.
- c) Outside.
- d) . Inside.

208. Bills payable dishonoured will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

209. Bills payable dishonoured will be posted in which side of bills payable account

- a) Debit.
- b) Credit.
- c) Outside.
- d) . Inside.

210. Opening balance of debtors will be posted in which side of debtors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) . Inside.

211. Closing balance of debtors will be posted in which side of debtors account

- a) Debit.
- b) . Credit.
- c) . Outside.
- d) Inside.

212. Closing balance of creditors will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) Outside.
- d) Inside.

213. Opening balance of creditors will be posted in which side of creditors account

- a) Debit.
- b) Credit.
- c) . Outside.
- d) . Inside.

214. Cash account opening balance will appear in

- a) debit .
- b) . credit.
- c) . outside.
- d) . inside.

215. Cash account closing balance will appear in

- a) debit .
- b) . credit.
- c) outside.
- d) . inside.

216. Bills payable account opening balance will appear in

- a) debit .
- b) credit.
- c) outside.
- d) inside.

217. Bills payable account closing balance will appear in

- a) debit .
- b) credit.
- c) outside.
- d) . inside.

218. Bills receivable account opening balance will appear in

- a) debit .
- b) credit.
- c) outside.
- d) inside.

219. . Under Debtors system, the cash sales are

- a) debited to the branch a/c
- b) credited to the branch a/c.
- c) . debited to debtors a/c
- d) credited to creditors a/c

220. Debtors ledger adjustment a/c normally shows the opening balance in

- a) debit.
- b) credit.
- c) either debit or credit
- d) . debit and credit.

221. Creditors ledger adjustment a/c normally shows the opening balance in _____
- a) debit.
 - b) credit.
 - c) either debit or credit
 - d) debit and credit
222. General ledger adjustment a/c in debtor ledger shows _____ balance
- a) . debit.
 - b) . credit.
 - c) either debit or credit
 - d) debit and credit.
223. General ledger adjustment a/c in creditor ledger shows _____ balance
- a) debit.
 - b) credit.
 - c) either debit or credit
 - d) debit and credit.
224. Under sectional balancing system _____ a/cs are prepared
- a) total debtors and total creditors
 - b) creditor ledger and debtors ledger
 - c) creditor ledger and general ledger.
 - d) debtor ledger and general ledger.
225. An account which contains all the real, nominal and personal (except trade Drs and Crs) is
- a) purchase ledger.
 - b) sales ledger.
 - c) general ledger.
 - d) subordinate ledger.
226. An account which contains all the trade debtors is
- a) purchase ledger.
 - b) sales ledger.
 - c) general ledger.
 - d) subordinate ledger.
227. An account which contains all the trade creditors is
- a) purchase ledger.
 - b) sales ledger
 - c) general ledger
 - d) subordinate ledger
228. Types of branches are
- a) 2.
 - b) 3

- c) 4.
- d) 5.

229. The principal place of business is called

- a) branch.
- b) head office.
- c) wholesale business
- d) . foreign branch.

230. The branch which does not maintain its own set of books is

- a) dependent branch.
- b) . independent branch.
- c) foreign branch.
- d) local branch.

231. Single entry system is otherwise called

- a) complete records
- b) incomplete records.
- c) pure system of accounting
- d) uniform accounting.

232. Which of the following method is used to ascertain profit in single entry system?

- a) .net worth method.
- b) lump sum method
- c) . net asset method.
- d) double accounting system

233. Total debtors a/c reveals (as a balancing figure)

- a) cash collected from debtors
- b) credit purchase.
- c) cash paid o creditors
- d) closing stock.

234. Total debtors a/c does not reveal

- a) credit sales.
- b) opening debtors
- c) closing debtors.
- d) closing creditors.

235. Total creditors a/c reveals (as a balancing figure)

- a) credit purchases
- b) . credit sales.
- c) closing stock.
- d) closing debtors

236. Total creditors a/c does not reveal
- closing stock
 - closing debtors.
 - closing creditors.
 - credit purchases.
237. Bills receivables a/c reveals _____ as a balancing figure
- opening B/R.
 - opening stock.
 - opening debtors.
 - opening creditors
238. Bills payables a/c reveals _____ as a balancing figure.
- opening B/P.
 - opening stock
 - opening debtors.
 - opening creditors
239. Capital at the beginning Rs. 8,00,000 drawings Rs. 1,80,000 capital at the end Rs. 9,00,000 Capital introduced during the period Rs. 50,000. Net profit is
- Rs. 2,00,000.
 - Rs. 2,30,000.
 - Rs. 2,40,000
 - Rs. 2,45,000.
240. Cash at bank Rs. 3,000; debtors Rs. 4,000; stock Rs. 16,000; furniture Rs. 2,000 and creditors Rs. 5,000. Find out capital
- Rs. 12,000
 - Rs. 15,000
 - Rs. 20,000
 - Rs. 22,000.
241. Statement of affairs is prepared
- to find out trade discount
 - to calculate profit.
 - to calculate sales.
 - to ascertain capital
242. Depreciation is the process of
- valuation of assets.
 - apportionment of the cost of the asset over its useful life.
 - maintenance of assets.
 - purchasing the assets.
243. Creating a reserve is
- optional.
 - compulsory.

- c) essential.
 - d) statutory.
244. Depreciation in the books of buyer is charged on
- a) hire purchase price.
 - b) cash price.
 - c) installment amount
 - d) down payment.
245. Balance in asset a/c will be reduced to zero in
- a) annuity method
 - b) depreciation fund method.
 - c) insurance policy method.
 - d) straight line method.
246. Under annuity method, the amount of depreciation is
- a) . increasing every year.
 - b) decreasing every year.
 - c) fixed for all the years.
 - d) change every year.
247. Profit from depreciation policy is transferred to
- a) depreciation fund a/c
 - b) . asset a/c.
 - c) p & l a/c.
 - d) liability side.
248. Interest is debited to asset a/c in
- a) . annuity method.
 - b) sinking fund method.
 - c) insurance policy method.
 - d) straight line method.
249. Sundry creditors means a person who supplies goods on
- a) cash basis
 - b) credit basis.
 - c) installment basis.
 - d) cash and credit basis.
250. Sundry debtors means a person who purchases goods on
- a) cash basis.
 - b) credit basis.
 - c) installment basis.
 - d) cash and credit basis.
251. General Ledger Adjustment a/c(s) are opened in
- a) debtors ledger.

- b) creditor ledger.
- c) debtors and creditors ledger.
- d) bills receivable ledger.

252. Cash paid to creditors can be calculated from

- a) debtors a/c.
- b) creditors a/c.
- c) balance sheet.
- d) p & I a/c.

253. The figure for capital in the beginning is ascertained from

- a) creditors a/c.
- b) debtors a/c.
- c) statement of affairs.
- d) balance sheet.

254. Branch account is a

- a) personal account
- b) real account.
- c) . nominal account.
- d) cash account.

255. An account which contains all the trade debtors is

- a) purchase ledger.
- b) sales ledger.
- c) general ledger.
- d) subordinate ledger.

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 - b) credit purchase.
 - c) cash paid o creditors
 - d) closing stock.
261. Total debtors a/c does not reveal
- a) credit sales.
 - b) opening debtors
 - c) closing debtors.
 - d) closing creditors.
262. Bills receivables a/c reveals as a balancing figure
- a) opening B/R.
 - b) opening stock.
 - c) opening debtors.
 - d) opening creditors
263. Bills payables a/c reveals as a balancing figure.
- a) opening B/P.
 - b) opening stock
 - c) opening debtors.
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 - B. . Rs. 2,30,000.
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 - D. Rs. 22,000.
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 - b) to calculate profit.

- c) to calculate sales.
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- b) . credit basis.
- c) installment basis.
- d) cash and credit basis.

270. Cash paid to creditors can be calculated from

- a) debtors a/c.
- b) creditors a/c.
- c) balance sheet.
- d) p & I a/c.

271. The figure for capital in the beginning is ascertained from

- a) creditors a/c.
- b) debtors a/c.
- c) statement of affairs.
- d) balance sheet.

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- b) real account.
- c) . nominal account.
- d) cash account.
