NAT I Commerce Accounting

Sr	Questions	Answers Choice
1	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
2	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
3	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
4	Goods returned to supplier should be credited to:	A. Supplier A/c B. Purchase return A/c C. Sales return A/c D. Purchases A/c
5	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
6	The science and art of correctly recording business dealing in a set of books is called	A. Book keeping B. Auditing C. Accounting D. Recording
7	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
8	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
9	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
10	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first
11	A bill of exchange is accepted by:	A. Drawer B. Payee C. Drawee D. Bank
12	For payment of bill of exchange grace days are	A. 2 days B. 3 days C. 5 days D. 4 days
13	Assets which come into existence upon the happening of a certain event are called	A. Fictitious assets B. Floating assets C. Contingent assets D. Dependent assets
14	Debit balance of cash book is also called	A. Unfavourable balance B. Favourable balance C. Negative balance D. Both un favourable and favourable balance
15	Which of the following books is called book of original entry:	A. Cash book B. Journal C. Ledger

		D. Sales book
16	The amount of salaries paid to javed should be credited to	A. Javed A/c B. Cash A/c C. Salaries A/c D. None of these
17	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies
18	Bank reconciliation represents	A. Ledger B. Statement C. Journal D. Both ledger and statement
19	Discount received is a	A. Asset B. Revenue C. Liability D. Expenses
20	If more than two accounts are involved in one transaction the journal entry is called	A. Simple entry B. Skeleton entry C. Compound entry D. Double entry