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**MGT-101**

**QUIZ NO.3 FILE**

**SPRING (2021)**

**WRITTEN BY ATTIQ'S GROUP**

1. .... is posted in the debit side of debtors account.

Ans. Balance b/f of debtors.

2. Owner's equity =?

Ans. Capital- profits.

3. In case of writing off debtors as bad debt, ----- is debited.

Ans. Bad Debts account.

4. The inventory account falls under which of the following classification of accounts?

Ans. Assets.

5. Bank Reconciliation statement is a:

Ans. Memorandum statements

6. Rent receivable account should be debited due to:

Ans. Opening balance.

7. ----- is posted in credit side of debtors account.

Ans. Sales return.

8. Is debited for closing the salaries' expense for the period?

Ans. Income statement.

9. ABC & Co purchased for resale purposes on case, which one of the following account head will decrease?

Ans. Cash.

10. In case of increase in provision for doubtful debt, ----- is debited.

Ans. Payable account.

11. Which of the following should be credited on sale of completed goods on cash basis manufacturing concern?

Ans. Finished Goods Account.

12. Which of the following is an error of original entry?

Ans. A receipt of RS. 50,000 from a debtor is recorded as RS. 5,000 in his account.

13. Carriage inward/outward is debited under main head.

Ans. Expenses.

14. Factory overhead cost= power & fuel cost+ -----

Ans. Other indirect cost.

15. Expenses portion of direct cost is treated as:

Ans. Expense.

16. Under IAS 2, goods available for sale purpose in the ordinary course of business is known as:

Ans. Assets.

17. Prime Cost = direct material cost+ -----.

Ans. Direct labor cost.

18. Direct cost is also known as:

Ans. Cost of sales

19. Office supplies consumed is considered as:

Ans. Admin expense.

20. All of the following items appear on credit side of trade receivable control account EXCEPT.

Ans. Cheques dishonored

21. Which of the following should be credited when production is completed goods in manufacturing concern?  
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Ans. Work in process account.

22. A payables ledger control account had a closing balance of RS. 9,000 A cash purchase of RS. 500 had been omitted to record in this control account. What should be the concern balance of payables control account?

Ans. RS. 8,500 credit

23. While preparing a creditors control account, credit side shows the items that will cause:

Ans. Decrease in creditor's balance.

24. Expenses are also known as:

Ans. Expired portion of cost.

25. Mr. A recorded a cash payment of RS. 300,000 as salaries and cash account were debited. What would be the debit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Ans. Cash account.

26. All of the following items appear on debit side of trade receivable control account EXCEPT.

Ans. Discount allowed.

27. Discount received from a creditor is debited under main head.

Ans. Income

28. Which of the following should be credited on return of raw material to supplier in manufacturing concern?

Ans. Material account/ Voucher payable account.

29. The unexpired portion of direct cost is treated as:

Ans. Expenses

30. Opening indirect material inventory is adjusted with ---- of indirect material, to calculate the cost of sales.

Ans. Sales.

31. Under periodic system of recording inventory, purchase of inventory is debited to -----.

Ans. Purchase account.

32. All of the following items may appear in trade receivable control account EXCEPT:

Ans. Credit purchases.

33. If work in process closing inventory is provided in trial balance, then that inventory is treated in:

Ans. Balance sheet only.

34. All of the following items may appear in trade control account EXCEPT:

Ans. Cash sales.

35. If the debit side trial balance is heavier than the credit side, suspense account will be written on -----.

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[VUAnswer.com](http://VUAnswer.com) Ans. Both debit and credit side.

36. Income=?

Ans. Profit – expenses.

37. Capital introduced by the owner is a -----.

Ans. Capital receipt.

38. Purchase return account is a/an -----.

Ans. Contra item.

39. When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (DR. & CR) is wrong, it is known as:

Ans. Error of principle.

40. Which of the following should be debited on purchase of raw material on credit basis in manufacturing concern?

Ans. Material account.

41. All of the following items appear on debit side of trade payable control account EXCEPT:

Ans. Credit purchases.

42. Purchases Rs. 500, carriage inward Rs. 50, Gross sales RS. 700 and gross profit Rs. 100, net purchases=?

Ans. Rs. 500.

43. A payment of Rs. 1,000 to a creditor Mr. A is recorded in the account of another creditor Mr. B what will be its effect on net profit?



Ans. Understated by Rs. 2,000.

44. Which of the following is revenue receipt?

Ans. Sales revenue.

45. Carriage inward should be the part of:

Ans. Indirect cost

46. Sales Rs. 500, return outwards Rs. 50. Gross Profit Rs. 100. Net sales=?

Ans. Rs. 450.

47. Accumulated depreciation of furniture is a/an -----.

Ans. Contra asset account.

48. Expired portion of direct cost is a part of -----.

Ans. Cost of sales.

49. A receivables ledger control account had a closing balance of Rs. 9,000. A dishonored Cheque of Rs. 500 had been omitted to record in

this control account. What should be the correct balance of receivables control account?

Ans. Rs. 9,500 debit.

50. Mr. X receives a discount of Rs. 50 from supplier. The discount is debited to discount allowed account. What will be its effect on net profit?

Ans. Understated by Rs. 100

51. A minor repair to a photograph machine was paid in cash. Correct entry was made to cash account but no entry was made to other account. What will be the debit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Ans. Photocopy machine repair account.

52. Cotton thread to make fabric in manufacturing concern is:

Ans. Raw material

53. Total factory cost= prime cost+ -----.

Ans. Factory overhead cost.

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54. All of the following items may appear in trade payable control account EXCEPT:

Ans. Bad debts.

55. Which of the following is a Revenue expenditure?

Ans. Payment of salaries

56. Under perpetual system of recording inventory, purchase of inventory is recognized as -----.

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Ans. Asset.

57. Net realizable value of inventory =

Ans. Selling price – further costs to sell

58. Control accounts are maintained for all of the following EXCEPT:

Ans. Depreciation.

59. Consumed direct supplies are considered as:

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Ans. Cost of Sales.

60. An income statement is prepared for a specific period.

Which is also known as:

Ans. Reporting period.

61. Expenses =?

Ans. Income – profit

62. Service fee received is a -----.

Ans. Revenue Expenditure

63. Salaries expense of Rs. 5,000 is recorded as Rs. 500.

What will be its effect on net profit?

Ans. Understated by Rs. 4,500

64. Which of the following is an error of commission?

Ans. A payment to a debtor Mr. A is recorded in the account of  
Download More Quizzes Files From [another Mr.](http://VUAnswer.com)  
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65. Which of the following should be credited on sale of complete goods on cash basis in manufacturing concern?

Ans. Sales account

66. If some financial information is completely forgotten to record in the books of original entry. Such error is known as:

Ans. Error of Omission.

67. Opening direct material inventory is adjusted with ---- of direct material, to calculate the cost of sales.

Ans.

68. Mr. Y has recorded a stationary expense of Rs. 50 as salaries expense. What will be its effect on net profit?

Ans. No effect.

69. Discount received from a creditor is credited under main head.

Ans. Income.

70. Unconsumed office supplies are considered as:

Ans. Current asset.

71. Mostly, control accounts are maintained for:

(a. Trade receivables b. Trade payables c. Inventory)

Ans. All of the given.

72. Which of the following is INCORRECT about closing stock?

Ans. It reduces the resources of business.

73. Which of the following is an error of principle?

Ans. Purchases of vehicle is recorded in repairs account.

74. Which of the following should be debited for issue of raw material to production department in manufacturing concern?

Ans. Finished goods account.

75. If the credit side of trial balance is heavier than the debit side, suspense account will be written on -----.

Ans. Debit side.

76. Which of the following should be credited on purchase of raw material on cash basis in manufacturing concern?

Ans. Cash account.

77. Discount allowed to a debtor is credited under main head:

Ans. Expenses.

78. Current year's depreciation of furniture is a/an -----.

Ans. Expense account.

79. Which of the following should be debited on purchase of raw material on cash basis in manufacturing concern?

Ans.

80. Which of the following should be considered as ready for sales in manufacturing concern?

Ans. Finished goods.

81. A creditor's control account is used to record all the transactions related to:

Ans. Credit purchases

82. In a trading concern, salaries of marketing staff is included in -----.

Ans. Operating expense

83. When correct accounting effect (DR/CR) is given in the wrong accounting head but main head remains correct, is known as:



Ans. Error of commission.

84. A new accountant of ABC Corporation has prepared the trial balance. But there is difference in total of both sides of trial balance, such difference can be due to:

Ans. All of the given options

85. Wood used to make a table in manufacturing concern is:

Ans. Raw material

86. Purchase of building costing Rs.500, 000 is recorded in repairs account. What will be its effect on net profit?

Ans. No effect

87. While preparing a Debtors control Account, credit side posted items cause:

Ans. Decrease in debtors' balance.

88. Purchases Rs. 500, Returns inward Rs. 50, Gross sales RS. 700 and gross profit Rs. 100, net purchases=?

Ans. Rs. 500.

89. Which of the following should be debited on return of raw material to supplier in manufacturing concern?

Ans. Voucher payable account

90. Sales return account is a/an -----.

Ans. Contra item.

91. Which of the following is/are the function of financial accounting?

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Ans. All of the given.

92. While preparing a Debtors control Account, debit side posted items cause:

Ans. Increase in debtor's balance.

93. Unfinished goods are called :

Ans. Work in process.

94. When the sum of more than one error cancels the accounting effect of each other. It is called :

Ans. Compensating error.

95. Which of the following is capital receipt?

Ans. Long term loan from bank.

96. Which of the following should be credited for issue of raw material to production department in manufacturing concern?

Ans. Material account.

97. Control accounts are usually maintained by:

Ans. Large organizations.

98. All of the following items may appear in trade receivable control account EXCEPT:

Ans. Cash sales.

99. Which of the following should be debited on sale of complete goods on cash basis in manufacturing concern?

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Ans. Cash account.

100. Expired portion of direct cost is treated as:

Ans. Expense.

101. Which of the following is a capital expenditure?

Ans. Purchase of building.

102. Mr. A recorded a cash payment of RS. 300,000 as salaries. Both the salaries and cash account were debited.

What would be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Ans. Salaries account.

103. Which of the following is an error of Omission?

Ans. A payment to a debtor Mr. A is recorded in the account of another debtor Mr. B

104. A receivables ledger control account had a closing balance of Rs. 9,000. Cash sales of Rs. 500 had been omitted to record in this control account. What should be the correct balance of receivables control account?

Ans. Rs. 900 debt.

105. Unconsumed shipping supplies are considered as:

Ans. Current asset.

106. Which of the following is an example of direct materials cost ?

Ans. A piece of wood for the production of chair.

107. Electricity expense is a -----.

Ans. Revenue expenditure.

108. In a manufacturing concern, rent of office building is included in -----.

Ans. Operating expense.

109. Factory overhead is a/an:

Ans. Cost.

110. Purchases Rs. 500, carriage outward Rs. 50, Gross sales RS. 700 and gross profit Rs. 100, net purchases=?

Ans. Rs. 50

111. Income =?

Profit – expenses

112. When the sum of more than one error cancels the accounting effect of each other, it is called?

Compensating error

113. Control accounts are maintained for all of the following EXCEPT;

Depreciation

114. Expired portion of direct cost is a part of \_\_\_\_\_.

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Cost of sales

115. Control accounts are maintained for all of the following EXCEPT;

Depreciation

116. Service fee received is a \_\_\_\_\_.

Revenue Expenditure

117. Cotton thread to make the fabric in manufacturing concern is

Raw material

118. Control accounts are maintained for all of the following EXCEPT

Depreciation

119. Mostly, control accounts are maintained for

(a. Trade receivables b. Trade payables c. Inventory)

All options

120. Which of the following is an error of principle?

A receipt of Rs. 50,000 from a debtor is recorded as Rs 5,000 in his account

121. A payables ledger control account had a closing balance of Rs. 9,000. A discount received of Rs. 500



had been omitted to record in this control account.  
What should be the correct balance of payables control account?

Rs. 8,500 credit

122. Expired portion of direct cost is treated as

Cost

123. Not realizable value of inventory =

Selling price – further costs to sell

124. Which of the following should be debited for issue of raw material to production department in manufacturing concern?

Finished goods account

125. Under periodic system of recording inventory purchase of inventory is recognized as

---

Stock

126. Purchase of building costing Rs 500,000 is recorded in repairs account. What will be its effect on net profit?

No effect

127. Which of the following should be debited on sale of completed goods on cash basis in manufacturing concern?

Cash account

128. If some financial information is completely forgotten to record in the books of original entry. Such error is known as

Error of omission

129. Which of the following should be credit on sale of completed goods on credit basis in manufacturing concern?

Sales Account

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130. Cost of inventory =?

Selling – Further costs to sell

131. Shipping supplies consumed is considered as?

Selling expense

132. Expired portion of direct cost is treated as

Expense.

133. Discount received from a creditor is credited under main head:

Income

134. Accumulated depreciation of furniture is a/an

Contra asset account

Knowledge For Us

135. If Work in Process closing inventory is provided in trial balance, then that in inventory is treated in:

Balance Sheet only

136. Factory overhead is a/an.

Cost

137. Purchases Rs.500, Carriage outward Rs.50, Gross Sales Rs. 700 and Gross Profit Rs. 100. Net Purchases =?

Rs. 50

138. Carriage inward is debited under main head:

Expenses

139. Capital introduced by the owner is a

Capital Receipt

140. Factory overhead cost = Power & fuel cost +.

Indirect material cost

141. Consumed direct supplies are considered as:

Cost of sales

142. All of the following items may appear in Trade payable control account

EXCEPT:

Bad debts

143. When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of principle

144. The unexpired portion of direct cost is treated as:

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Assets

145. A control account is an individual account that appears in the.

General ledger

146. Mr. X receives a discount of Rs. 50 from a supplier.

The discount is debited

To discount allowed account. What will be its effect on net profit?

Understated by Rs. 100

147. A creditors' control account is used to record all the transactions related to:

Credit purchases

148. While preparing a Debtors Control Account, Credit side posted items cause:

Decrease in debtors' balance

149. Which of the following is a Revenue receipt?

- Sales revenue

150. Direct cost is also known as:

Prime cost

151. A minor repair to a photocopy machine was paid in cash. Correct entry

Was made to cash account but no entry was made to other account. What will be the debit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Photocopy machine repair account

152. A new accountant of ABC Corporation has prepared the trial balance. But



There is difference in total of both sides of trial balance:  
such Difference Can be due to:

All of the given options

153. Mostly, control accounts are maintained for:  
(a. Trade receivables b. Trade payables c. Inventory)

All of the given options

154. When correct accounting effect (Dr/Cr) is  
given in the wrong accounting Head but the main  
head remains correct, is known as:

Error of commission

155. If the debit side of trial balance is heavier  
than the credit side, suspense

Account will be written on

Credit side

156. Purchases Rs.500, Return inward Rs.50, Gross Sales Rs. 700 and Gross Profit Rs. 100. Net Purchases =?

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Rs.500

157. All of the following items appear on credit side of Trade receivable

Control account EXCEPT

Cheques dishonored

158. Purchase return account is a/an .

Contra item

159. Which of the following Organization converts raw material into finished? Goods?

Manufacturing concern

160. If the credit side of trial balance is heavier than the debit side, suspense

Account will be written on

Debit side

161. Carriage outward is debited under main head:

Expenses

162. In a manufacturing concern, rent of office building is included in

Operating expense

163. Income =?

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Profit – expenses

164. A payables ledger control account had a closing balance of Rs 9,000. A

Credit purchase of Rs. 500 had been omitted to record in this control Account. What should be the correct balance of payables control account?

Rs. 9,500 credit

165. All of the following items may appear in Trade payable control account

EXCEPT:

Cash purchases

166. Which of the following is an error of principle?

Purchases of vehicle is recorded in repairs account

167. When correct accounting entry is recorded in the books of accounts but the amount in both according effect (Dr & Cr) is wrong, it is known as:

Error of original entry

168. Total factory cost = Prime cost + .

Factory overhead cost

169. Unconsumed shipping supplies are considered as:

Current asset

170. Leather to make jackets in manufacturing concern is:

Raw material

171. Which of the following is/are the function of financial accounting?

All of the given options.

172. Work in process closing inventory is a/an:

Asset

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173. A payables ledger control account had a closing balance of Rs 9,000. A credit sales of Rs. 500 had been omitted to record in this control account. What

should be the correct balance of payables control account?

Rs. 9,000

174. Note (33 & 42 credit purchases = (payable control account) and credit sales = (receivables control account).

175. A debtors' control account is used to record all the transactions related

Credit sales

176. Discount allowed to a debtor is Debited under main head:

Expenses

177. A receivables ledger control account had a closing balance of Rs. 9,000. A dishonored cheque of Rs. 500 had been omitted to record in the control account. What should be the correct balance of receivables control account?

Rs. 9,500 debit

178. Unconsumed direct supplies are considered as:

Inventory

179. Unfinished goods are called.

Work in process

180. Salaries expense of Rs. 5,000 is recorded as Rs. 500.

What will be its effect on net profit?

Overstated by Rs. 4,500

181. All of the following items may appear in Trade receivable control account

EXCEPT:

Credit Purchases

182. Expenditure incurred to acquire the patent right for the business is an example of:

Capital expenditure

183. Loss on revaluation of fixed asset should be charged to:

Profit and loss account

184. While preparing a Debtors Control Account, Debit side posted items cause:

Increase in debtors' balance

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185. Expenses are also known as:

Expired portion of cost

186. An income statement is prepared for a specific period, which is also known as:

Reporting period



187. Which of the following is a Capital expenditure?

Purchase of a building

188. A purchase of plant and machinery is a

Capital Expenditures

189. Discount allowed to a debtor is credited under main head:

Expenses

190. Which of the following is Revenue expenditure?

Payment of salaries

191. In a trading concern, salaries of marketing staff are included in

Operating expense

192. Cotton thread to make fabric in manufacturing concern is:

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Raw material

193. Mr. A recorded a cash payment of Rs. 300,000 as salaries. Both the salaries and cash account was debited. What would be the credit affect of journal? entry to rectify this error, if there is suspense account in trial balance?

Cash account

194. A receivables ledger control account had a closing balance of Rs. 9,000. Cash sales of Rs. 500 had been omitted to record in the control account. What should be the correct balance of receivables control account?

Rs. 9,000 debit

195. Factory overhead cost = Power & fuel cost +.

Other indirect cost

196. A new accountant of ABC Corporation has prepared the trial balance. But There is difference in total of both sides of trial balance; such amount of difference shall be named as:

Suspense account

197. In a manufacturing concern, salary of supervisor is included in .

Operating expense

198. Mr. Y has recorded a stationary expense of Rs. 50 as salaries expense. What Will be its effect on net profit?

No effect

199. Control accounts are maintained for all of the following EXCEPT:

Depreciation

200. Service fee received is a .

Revenue Receipt

201. Which of the following is a Capital receipt?

Long term loan from bank

202. Sales Rs. 500, Return inwards Rs. 50, Gross Profit Rs. 100, Net Sales =?

Rs. 450

203. Expenses =?

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Income – profit [VUAnswer.com](http://VUAnswer.com)

204. Office supplies consumed is considered as:

Admin expense

205. Bank charges of RS. 1,000 have been deducted by the bank without our Knowledge. What will be its effect on net profit?

No effect

206. Wood used to make a table in manufacturing concern is:

Raw material

207. Sole proprietor can prepare following financial statements as final accounts:

Balance sheet & income statement

208. Which one of the following is INCORRECT about closing stock? It reduces the resources of business  
 $\text{Prime cost} = \text{Direct material cost} +$

Direct labor cost

209. Mr. A recorded a cash payment of Rs. 300,000 as salaries. Both the Salaries And cash account was debited. What would be the debit affect of journal entry to rectify this error, if there is suspense account in trial balance?

Suspense account

210. While preparing a Creditors Control Account, Debit side shows the items that Will cause

Decrease in creditors' balance

211. Sales return account is a/an .

Contra item

212. If Work in Process closing inventory is provided as additional information, Other than trial balance, then that inventory treated in:

Profit and loss account only

213. Electricity expense is a .

Revenue Expenditure

214. Current year's depreciation of furniture is a/an

.

Expense account

215. Carriage inward should be the part of:

Direct cost

216. Control accounts are usually maintained by:

Large organizations

217. Purchase of building costing Rs. 500,000 is recorded in repairs account. What will be? Its effect on net profit?

No effect

218. Which of the following is an error of original entry?

A receipt of Rs. 50,000 from a debtor is recorded as Rs. 5,000 in his account.

219. A payables ledger control account had a closing balance of Rs. 9,000. Cash Purchase of Rs. 500 had been omitted to record in this control account. What should be the correct balance of payables control account?

Rs 500 credit



220. Drawings account is a/an

Contra item

221. Expenses =?

Income – profit

222. All of the following items appear on debit side of Trade receivable control account EXCEPT:

Discount allowed

223. Mostly, control accounts are maintained for:

(a. Trade receivables b. Trade payables c. Inventory)

All of the given options

224. Purchases Rs. 500, Returns outward Rs. 50, Gross Sales Rs. 700 and Gross Profit Rs. 100, Net Purchases =?

450

225. If cost of sales is Rs. 90,000, income from sales Rs. 200,000 and operating expenses Rs.100,000. What will be net result? Select correct option:

Rs. 5,000 Losses

226. Work in process closing inventory is a/an:

Asset

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227. Which of the following is Revenue expenditure?

Sales revenue

228. A payment of Rs. 1,000 to a creditor Mr. A is recorded in the account of another creditor Mr. B. What will be its effect on net profit?

Rs. 1,000 Owner's equity.

229. Which of the following Organization converts raw material into finished goods?

**Manufacturing concern**

230. Capital introduced by the owner is a \_\_\_\_\_.

**Capital Receipt**

231. When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong, it is known as:

**Error of commission**

232. Which of the following is an error of original entry?

A payment to a debtor Mr. A is recorded in the account of another debtor Mr. B

233. Mr. X receives a discount of Rs. 50 from a supplier. The discount is debited to discount allowed account. What will be its effect on net profit?

Understated by Rs.100

234. While preparing a Creditors Control Account, Credit side shows the items that will cause:

Raw material

235. Service fee received is a \_\_\_\_\_.

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Revenue Expenditure

236. Work in process closing inventory is a/an:

Asset.

237. Factory overhead cost = Power & fuel cost + \_\_\_\_\_.

Indirect material cost

238. A payables ledger control account had a closing balance of Rs.9, 000. A discount received of Rs.500 had been omitted to record in this control account.

What should be the correct balance of payables control account?

Rs. 8,500 credit

239. Unconsumed shipping supplies are considered as:

Current asset

240. Sales return account is a/an \_\_\_\_\_.

Contra item

241. Unconsumed office supplies are considered as:

Raw martial

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242. Unfinished goods are called:

Raw martial

243. If the debit side of trial balance is heavier than the credit side, suspense account will be written on \_\_\_\_\_.

Credit side

244. Accumulated depreciation of furniture is a/an \_\_\_\_\_.

Contra asset account

245. Which of the following is a Capital receipt?

Long term loan from bank

246. Discount received from a creditor is Debited under main head:

Assets

247. While preparing a Debtors Control Account, Debit side posted items cause:

Increase in debtors' balance

248. An income statement is prepared for a specific period, which is also known as:

Financial health

249. A minor repair to a photocopy machine was paid in cash. Correct entry was made to cash account but no entry was made to other account. What will be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

250. When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of commission

251. Mr. A recorded a cash payment of Rs.300, 000 as salaries. Both the salaries and cash account were debited. What would be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

252. Purchase of building costing Rs. 500,000 is recorded in repairs account. What will be its effect on net profit?

Overstated by Rs. 500,000

253. Control accounts are usually maintained by:

Large organizations

254. All of the following items may appear in Trade receivable control account EXCEPT:



Cash relievable in debit

255. A new accountant of ABC Corporation has prepared the trial balance. But there is difference in total of both sides of trial balance, such amount of difference shall be named as:

Suspense account

256. Bank charges of RS. 1,000 have been deducted by the bank without our knowledge. What will be its effect on net profit?

Understated by Rs. 1,000

257. Which of the following is an error of omission?

Bank charges being deducted by the bank without our knowledge

258. If someone financial information is completely forgotten to record in the books of original entry, such error is known as:

**ERROR OF OMISSION**

259. In a manufacturing concern, rent of the office building is included in:

**OPERATING EXPENSES**

260. Expired portion of direct cost is a part of -----

**Cost of sales**

261. All of the following items may appear in Trade payable account Except:

**Bad debts**

262. Expired portion of direct cost is treated as:

**Expense**

263. In a manufacturing concern, rent of the office building is included in:

**OPERATING EXPENSES**

264. Income=

Profit-expenses

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265. A payable ledger control account had balance of Rs9000. A credit purchase of Rs500 had been omitted to recorded in the control account what should be the correct balance of payable control account?

Rs.9000credit

266. All of the following items may appear in Trade payable control account Except:

Cash purchases

267. When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong. It is known as

Error of original entry.

268. Total factory cost = prime cost +  
factory overhead cost

Mostly, contra accounts are maintained for:

(a. Trade receivables b. Trade payables c. Inventory)

269.

All of the given option

270. If the credit side of the trial balance is heavier than the debit side suspense's account will be written on -----

Both debit and credit side

271. Carriage inward is debited under main head:

EXPENSES

272. Unconsumed shipping supplies are considered as:

Current Assets

273. When correct accounting effect (Dr/Cr) is given in the wrong accounting head but the main head remains correct is known as:

Error of commission

274. Leather to make in manufacturing concern is:

Raw material

275. Which of the following is/are the function of financial accounting?

All of the given options

276. When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of principle

277. Work in process closing inventory is a/an:

asset

278. A debtor's account is used to record all the transaction related to:

Credit sales

279. Purchase Rs500, carriage outward rs.50 gross sales Rs 700 and gross profit Rs 100 net purchase=?

500 RS

280. Discount allowed to a debtor is debtor under main head:

Expenses

281. A receivable ledger control account had a closing balance of rs9000. A dishonored cheque of Rs 500 had been omitted to record in this control account what should be the correct balance of receivable control account?

9500 debt

282. Purchase return account is a /an

Contra items

283. Factory overhead is a/an

cost

284. Unfinished goods are called:

WORK IN Process

285. Salaries expenses of Rs 5000 are recorded as Rs 500 what will be its effect on net profit?

Overstayed by rs.4500

286. All of the following items may appear in trade payable account

Expect:

Type text here

Bad debts

Type text here

287. Discount received from a creditor is credited under main head:

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Income

288. Capital introduced by the owner is a

Capital Receipt.

289. Factory overhead cost = power & fuel cost +

Indirect material cost

290. Consumed direct supplies are considered as:

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Cost of sales

291. The unexpired portion of direct cost is treated as:

Assets



292. A control account is an individual account that appears in the

-----

general ledger.

293. Mr. receives a discount of Rs 50 from a supplier. The discounts are debited to discount allowed account. What will effect on net profit?

Understated by Rs 100

294. A creditor's control account is used to record all the transaction related to:

credit purchase

295. Which of the following Is a revenue receipt?

Sales Revenue

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296. Direct cost is also known as

Prime cost

297. Office supplies consumed is considered as:

cost of sales

298. Sales return account is a/an-----

Contra items

299. Which of the following is a capital receipt?

Long term loan from bank

300. Bank charges of Rs1000 have been deducted by the bank without our knowledge. what will its effect on net profit?

Overstated by Rs 1000

301. A new accountant of ABC corporation has prepaid the trial balance. but there is difference I total of both sides of trial balance such difference can be due to:

All of the given option

302. Mostly, control accounts are maintained for:

(a. Trade receivables b. Trade payables c. Inventory)

All of the given options

303. A purchase of plant and machinery is a -----

Capital expenditure

304. If the debit side of trial balance is heavier than the credit side, suspense account will be written on-----,

Credit side

305. If the credit side of trial balance is heavier than the debit side, suspense account will be written on

Debit side.

306. All of the following items may appear in Trade receivable control account Expect:

Checkups dishonored

307. Which of the following organization converts raw material into finished goods?

Manufacturing concern

308. Expenditure incurred to acquire the patent right for the business is an example of:

Capital expenditure

309. Loss on revaluation of fixed asset should be charged to:

Profit and loss account

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310. When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong:

Error of original Entry

311. A new accountant of ABC corporation has prepaid the trial balance. but there is difference in total of both sides of trial balance such difference shall be named as:

Suspense account

312. Discount received from a creditor is Debited under main head:

liabilities

313. Electricity expense is a \_\_\_\_\_

Revenue Expenditure

314. Control accounts are maintained for all the following Except:

Deprecation

315. All of the following items may appear in Trade receivable control account Except:

Cash sales

316. Discount allowed to a debtor is credited under main head:

Assets

317. All of the following items may appear in Trade receivable control account Expect:

Credit purchase

318. A control account is an individual account that appears in the ---

-----  
General ledger

319. Which of the following is an error of commission?

A payment to a debtor Mr. A is recorded in the the account of another Mr.

320. Which of the following should be considered as ready for sales in manufacturing concern?

Finished goods

321. Mr. A recorded a cash payment of Rs.300, 000 as salaries. Both the salaries and cash account Were debited. What would be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

322. A receivables ledger control account had a closing balance of Rs.9, 000. A dishonored cheque of Rs. 500 had been omitted to record in this control account. What should be the correct balance of receivables control account?

Rs. 8,500 credit

323. In a trading concern, salaries of marketing staff are included in

\_\_\_\_\_.

Operating expense

324. Purchase return account is a/an \_\_\_\_\_.

Expense item

325. Cotton thread to make fabric in manufacturing concern is:

Raw material

326. Sole proprietor can prepare following financial statements as final accounts:

Balance sheet & income statement

327. A debtors' control account is used to record all the transactions related to:

Credit sales

328. Shipping supplies consumed is considered as:

Selling expense