## TELANGANA UNIVERSITY S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029) I SEMESTER INTERNAL ASSESSMENT I EXAMINATIONS FINANCIAL ACCOUNTING QUESTION BANK

I. Fill in the blanks		
1. Capital is	1	1
a. Amount invested in business	b. Loan taken for carrying on business	-
c. Assets purchased for business	d. None of above	
2. Drawing is	1	1
a. Withdrawal of cash from bank for office use	•	-
b. Money withdrawn from bank for purchase of machin	nery	
c. Cash and goods withdrawn for personal use	•	
d. Goods distributed as sample		
3. Debtor is a person	]	]
a. Who owes money to the business	b. Who contributes cash for running bu	siness?
c. Who sells goods for cash	d. Who purchases goods for cash	
4. Creditor is a person		]
a. Who owes money to the business	b. Who supplies goods for cash	
c. To whom money is owed by the business	d. Who borrows money from business	
5. Which of the following Accounting equation is corre		]
a. Liabilities plus assets	b. Assets plus profit plus liabilities	
c. Liabilities plus profit plus assets	d. Assets minus liabilities	
6. When goods are withdrawn from personal use	1	1
a. Purchases Account is debited	b. Drawings Account is debited	-
c. Sales Account is debited	d. General Express Account is debited	
7. When bad debts are written off credit is given to	·	1
a. Bad debts Account	b. Sales Account	-
c. Debtors Account	d. Cash Account	
8. For bad debts recovered	]	1
a. Debtors Account is credited	b. Bad Debts Account is debited	-
c. Bad debts Recovered account is credited	d. Capital account is credited	
9. Subsidiary books are called		]
a. Books of original entry	b. Books of secondary entry	_
c. Ledger	d. financial statements	
10. Purchases book records	1	1
a. Cash purchase of goods	b. Credit purchases of goods	_
c. Both cash and credit purchases	d. None of the above	
11. Sales book records	]	]
a. Credit sale of goods	b. Both cash and credit sales	_
c. Cash and credit purchase	d. None of the above	
12. Return outwards book records	]	]
a. Sales returns	b. Purchase returns	
c. Return of assets purchased	d. Trade discount	
13. Return inwards book records	]	]
a. Purchase of assets	b. Sales returns	
c. Purchase returns	d. Cash discount	
14. Simple cash book (one column cash book) records	]	]
a. Only cash transactions	b. Cash and banking transactions	
c. Credit sale & purchase of assets	d. Cash, Bank and discount transactions	5
15. Triple column cash book records	]	]
a Cash and credit transactions	h Cash and discount transactions	

c. Cash, Bank and discour			d. None of the above			
16. Which of the following	ig is the kind of cash bo	ook		[	· -	]
a. Single column cash boo	ok		b. Double column cash book			
c. Three column cash boo	ok		d. All of them			
17. Bank Reconciliation s	tatement is a part of			[	· -	]
a. Cash book						
b. Part of financial staten	nent showing position	of the b	usiness			
c. Account showing profi	t or loss of the busines	S				
d. None of the above						
18. Bank reconciliation st						
a. Causes for difference b		d pass b	ook balances			
b. The financial position of						
c. Profit or loss made by	the business					
d. None of the above				_	_	_
19. Bank reconciliation st			help of	[	-	]
a. Bank pass book and ba						
b. Bank statement and ca						
c. Bank column of the cas	sh book and cash colun	nn of th	e cash book			
d. None of the above				_	_	
20. In case of favourable				[	-	]
a. Cash book shows debit			b. Pass book shows debit bal	ance		
c. Cash book shows credi			d. None of the above			
21. In case of bank overd				[		]
a. Cash book shows debit			b. Cash books shows credit b	alance		
c. Pass book shows credit			d. None of the above	_	_	
22. Bank reconciliation st		-		_ l		]
a. Account holder	b. Bank			e of the a		
	reconciliation if startii	ng poin	t is balance as per cash book,	direct de	posit b	У
customer are				ا		]
a. Added	b. Deducted		required to be adjusted	d. None		
		art with	a debit balance as per pass b	ook chec	iues iss	ued
but not presented should						]
a. Deducted	b. Added		required to be adjusted	d. None	or the	above
•	•		t, direct payment by bank are	· <del>-</del>	_ £ +	] 
a. added	b. subtracted		equired to be adjusted	d. None		apove
26. when balance as per	cash book is the startii	ng poin	t cheques deposited but not c	ollected	wiii be	1
a	h subtracted	o Not	required to be adjusted	ا معملا ام	of the	] abaya
<ul><li>a. Added</li><li>27. If an amount is writte</li></ul>	b. subtracted		required to be adjusted	d. None	oi tile	above 1
a. Error of Omission	in on the wrong side of		r of commission	l	-	J
c. Error of principle	k has boon dobited to k		pensating error	ı	r	1
28. Salary paid to Deepaka. Error of omission	t has been debited to h	-	r of commission	[	-	J
			an error			
c. Error of principle	raitura is dabitad to Ca			r	r	1
29. Purchase of office fur a. Error of omission	iliture is debited to de		•	[	-	J
c. Error of commission			r of Principle an error			
30. Goods taken by prop	riotar for parcapal usa			ı	r	1
a. Purchases account	netor for personal use			[	-	J
c. General expenses account	unt		vings accounts ity account			
31. Wages Rs.1000 paid f			•	[		1
a. Wages account	or creeding a macmine		henery account	l		1
c. General expenses acco	unt		tal account			
or delicital expenses acco	G C	a. Capi				

32. Rs.5000 received from sarat whose accoun-	t was written off as Bad debits should	be credited	to	
		ſ	]	
a. Bad debts accounts	b. Bad debts recovered	-	-	
c. Sarat account	d. sales			
33. Sale of office furniture should be credited t	0	[	1	
a. Sales account	b. Furniture account		•	
c. Miscellaneous income	d. Purchases account			
34. Goods worth Rs. 2000 given as charity shou		[	1	
a. Charity account	b. Sales account	L	J	
c. Purchases account	d. General expenses account			
35. Capital expenditure is incurred to	d. General expenses account	Г	1	
	h Padusa the liability of the busines	[	J	
a. Improve the efficiency of the assets	<ul><li>b. Reduce the liability of the busines</li><li>d. None of the above</li></ul>	33		
c. Maintain the efficiency of the asset	d. None of the above	г	1	
36. Fixed assets are kept in business	h earn air	[	J	
a. For earning income	b. For re-sale			
•	c. For elepreciation purpose	_	_	
37. Trading account is prepared to calculate		[	J	
a. Cost of the goods sold	b. Net profit			
c. Opening stock	c. Gross profit			
38. Manufacturing account is prepared to asce	rtain	[	]	
a. Cost of semi-finished goods	b. Profit or loss on the sale of finished	ed goods		
c. Cost of the goods manufactured	d. Cost of goods sold			
39. Good will is	_	1	1	
a. Current asset b. Tangible asset	c. An investment	d. Intangible	e asset	
40. Closing stock is valued at		ſ	1	
a. Cost price		·	,	
b. Market price				
c. Replacement price				
d. Cost or market price whichever is less				
•		Г	1	
41. Prepaid rent is an item of	a Deferred revenue evnenditure	d Napa of t	l books	
a. Liability b. an asset	c. Deferred revenue expenditure	d. None of t	_	
42. Wages and salaries given in trail balance wi	• •	[	]	
a. Profit & Loss account	b. Trading account	5. 6.	- 1	
c. Balance sheet	d. Half in trading account and half in	n profit & loss	5 A/c	
II. Fill in the blanks				
1. Amount invested by the proprietor in called				
2. Goods withdrawn by the proprietor for person	onal use is debited to			
3. When computer is purchased for the person			is	
·	···			
4. When interest on personal investments of the	ne proprietor is received the account	to be credited	d is	
ii vinen interest on personal investments of the	re proprietor is received the decount	to be created	J 15	
5. Rajesh becomes insolvent, for writing off this	s account the account to be debited i	ic		
6. 50% of the amount written off as bad debts				
6. 50% of the amount written on as bad debts	is received from Rajesh the amount t	o be credited	15	
7. Fixed assets are above in the health of assemble the				
7. Fixed assets are shown in the books of account at its value				
8. The process of transferring transactions from journal to ledger is called				
9. Purchases book records of the goods dealt by us				
10. Sales book records of th				
11. Returns inwards book records				
12. Return outwards book records				

13. Cash discount allowed by us the to the customer is entered on	side of cash book
14 is allowed when payent is made before specified date	
15 is an allowance given by manufacturer or whole seller to	the retailer on the catalogue
price by of the goods sold.	
16. For discount there is no entry in the books of account	
17. If the deposits are more than withdrawals it is bank	c balance
18. If withdrawals are more than deposits then it is called ba	
19. A copy of the customers bank account maintained by the bank in its boo	ks is called
20. In case of favourable bank balance cash book shows balance	and pass book
21. In case of bank overdraft, cash book shows balance and pas	sbook
22. Statement prepared for reconciling the cash book balance and pass book	c balance is called
23. If all entries are made in cash book and pass book then the two balance	will be
24. Dividends and interest on investments collected by bank are	in pass book and
in cash book	
(A) Error discovered before preparation of Trial Balance	
25. Purchases book is under cast by Rs. 1500 is rectified by	
26. A sum of Rs. 5000 written off depreciation on Machinery has not been de	ebited to depreciation account
is rectified by	
27. An amount of Rs. 251 fro credit sale of Hari Krishna although correctly er	ntered in sale book, has been
posted as Rs.521 in his personal account is rectified by	
(B) Error discovered after preparation of Trial balance	
28. Rs. 1000 paid for furniture purchased has been charged to purchases acc	count
29. Rent paid Rs.2000 to Landlord has been debited to Landlord A/c	
30. Purchase of goods from Desai amounting to Rs.600 has been wrongly en	_
31.A credit sale of goods amounting to Rs. 450 to Rajesh has been wrongly p	assed in purchases book
32.Sales book is under cast by Rs.555	
33. Purchases account was overcast by Rs.5000	
34. Sale of Goods to Tukaram for Rs.5000 was omitted to be recorded in sale	
35. Trading and profit and loss account and balance sheet prepared at the en	nd of the trading period are
called	
36. Expenditure which results in the acquisitions of an assets is called	<del></del>
37. An expenditure which is incurred for running the business is called	
38. Heavy expenditure of revenue nature for getting benefit over a period is	called
39. Amount realized by sale of an asset is called	
40. Excess of sales over cost of the goods sold is called	
41. Statement prepared to know the financial position of business on a parti	
42. Marshalling of Assets and liabilities can be done either	