ACHIEVEMENT TEST IN ACCOUNTANCY (PHASE III)
FOR CLASS 11th in Selected Chapters
( Accounting Equation & Basics, Errors & Rectification, Bank Reconciliation Statement & Final Accounts )

Read the following statement carefully and tick mark the most appropriate answer out of the given 4 alternatives. Do not overwrite or do not do any cutting. You are requested to not to consult any source for any help.
(The purpose of this test is investigatory only. It will enable the investigator to conduct research only. Your scores will not be shared with others.)

Thank you for your cooperation!

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Name: ______________________________________
Class: ________ School: ___________ Roll No: ________ Date: ________

1. Wrong credit to a nominal account will
a) increase the assets b) Reduce the profit c) Increase the profit d) Increase the liabilities

2. The omission of an item to an income or gain will reduce the
a) Assets b) Profit c) Liabilities d) Loss

3. A purchase of Rs 6000 from Sonu has not been recorded in the Purchases Book. It will
a) Not affect the profit b) Increase the profit c) Decrease the profit d) None of these

4. Debiting wages account for wages paid for construction of building is
a) error of omission b) errors of commission c) errors of principle d) Compensating errors

5. Errors detected before the preparation of trial balance will be rectified
a) By opening suspense account b) Without opening suspense account c) By transferring to trading account d) Capital account

6. Salaries paid to Mohan amounting to Rs 700 will be debited to
a) Salary account b) Mohan’s account c) Cash account d) Capital account

7. Ram’s Account which should have been debited with 3,000 has been wrongly credited. It should be debited in the rectifying entry with
a) double amount b) Triple amount c) Same amount d) Half amount

8. Repair to plant will be debited to
a) Repair account b) Plant account c) Wages account d) Machinery account

9. Balance sheet is also known as
a) Final statement b) Income statement c) Position statement d) Statement of affairs

10. Trading account is prepared in order to ascertain
a) Gross profit or Gross loss b) Net profit or Net loss c) Sales d) Cost of goods purchased

11. Profit & Loss account is prepared to find out
a) Gross profit or Gross loss b) Net profit or Net loss c) Miscellaneous income d) Financial position

12. Balance sheet is prepared in order to ascertain
a) Financial position of business b) Accuracy of books of account c) Profit of the business d) Total debtors

13. Direct expenses of the business are transferred to
a) Profit & Loss account b) Balance sheet c) Trading account d) Trial balance

14. Nominal accounts and accounts relating to goods are closed by transfer of
a) Capital account b) Profit & Loss appropriation account c) Balance sheet d) Trading & Profit & Loss account

15. Arrangement of assets and liabilities in the balance sheet is known as
a) Marshalling of balance sheet b) Marshalling of assets & liabilities c) Totalling of assets & liabilities d) Order of stating

16. An adjustment is recorded in final accounts
a) At one place b) At two places c) At three places d) None of these
If Opening stock is Rs.30,000, Net purchases Rs.2,00,000, and closing stock Rs.10,000, cost of goods sold will be
a) Rs.2,20,000  b) Rs.2,40,000  c) Rs.1,60,000  d) None of these

Sales less cost of goods sold is known as
a) Assets  b) Liabilities  c) Net profit  d) Gross profit

Adjustment entries are passed through

Preparation of Balance Sheet of companies in vertical form is
a) Permitted  b) Not permitted  c) An offence  d) None of these

The purpose of financial accounts is to ascertain
a) Profit  b) The values of assets  c) The values of liabilities  d) Profit or Loss and Financial position

Gross profit is ascertained by
a) Trading account  b) Profit and Loss account  c) Balance sheet  d) Trial balance

Working capital is
a) Proprietors capital  b) Borrowed capital  c) Current assets - current liabilities  d) Capital

The statement of assets and liabilities
a) Balance sheet  b) Trial balance  c) Trading account  d) Profit and Loss account

The balance of petty cash is
a) An asset  b) A liability  c) An expense  d) A revenue

Stock appearing in the Trial balance will be shown in
a) Trading account  b) Profit and Loss account  c) Balance sheet  d) Trading account and also in Balance sheet

Liabilities have _______ balance.
 a) Debit  b) Credit  c) Either debit or credit  d) No balance

Net loss is _______ of the business.
 a) Liability  b) Asset  c) Expense  d) Extra ordinary loss

Final accounts are prepared after the preparation of
a) Ledger accounts  b) Trading account  c) Journal Proper  d) Trial balance

Which is a contingent liability?
 a) Liability for bills discounted  b) Outstanding wages  c) Bank overdraft  d) Short term loans

Goods costing Rs.12,000 were damaged. Insurance company admitted claim for Rs.10,500. Profit and loss account will be debited with
a) Rs.12,000  b) Rs.10,500  c) Rs.22,500  d) Rs.1,500

Bank column of the cash book always shows
 a) debit balance.  b) Credit balance  c) None of these  d) Sometimes debit / Credit

The debit balance of the cash book and the credit balance of pass book should match
 a) Sometimes  b) Often  c) Never  d) Always

The balance of pass book is always
 a) Credit  b) Debit  c) Sometimes Debit  d) Sometimes Credit

If deposits exceed the withdrawals from the bank, cash book balance will be
 a) Debit  b) Sometimes Debit  c) Credit  d) Sometimes Credit

Bank reconciliation statement can be prepared with, the balance of
 a) Only cash book  b) Only pass book  c) Neither cash or pass book  d) Either cash or Pass book

In bank reconciliation statement, Cheques paid in but not credited by bank are
 a) Not shown  b) Sometimes shown  c) Shown once in year only  d) Shown always.

If Assets are arranged in the order of liquidity in Balance sheet, then Cash will be the
 a) 1st item  b) 2nd item  c) Last item  d) Can be 1st or last item.

Capital is equal to:
 a) Assets – Liability  b) Liability – Assets  c) Liability + Assets  d) 2Assets – Liabilities

A wrong debit in the pass book will
41. A wrong credit in the cash book will: 
(a) decrease the balance in the pass book 
(b) increase the balance in the pass book 
(c) increase the balance in the cash book 
(d) decrease the balance in the cash book.

42. Interest charged by the bank is recovered on the: 
(a) credit side of pass book 
(b) debit side of cash book 
(c) both of these 
(d) none of these.

43. The cash book is written by: 
(a) bank 
(b) creditors 
(c) debtors 
(d) firm.

44. The bank reconciliation statement is prepared, if the balance as shown by pass book and cash book: 
(a) do not differ 
(b) differ with each other 
(c) indicate unfavourable bank balance i.e., bank overdraft 
(d) none of these.

45. While preparing bank reconciliation statement from balance of cash book Cheques debited in the cash book but not credited in the pass book are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

46. While preparing bank reconciliation statement from balance of cash book Cheques credited in the cash book but not debited in the pass book are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

47. While preparing bank reconciliation statement from balance of cash book Cheques credited in the cash book but not debited in the pass book are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

48. While preparing bank reconciliation statement from balance of cash book Cheques debited in the cash book but not credited in the pass book are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

49. While preparing bank reconciliation statement from balance of pass book Cheques deposited into the bank but not entered in the cash book are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

50. While preparing bank reconciliation statement from balance of pass book Cheques entered in the cash book but omitted to be banked are: 
(a) added 
(b) not added 
(c) deducted 
(d) not deducted.

51. Purchase of Building will be recorded as: 
(a) Current Asset 
(b) Goods 
(c) Liabilities 
(d) Fixed Assets.

52. Sale of furniture by ABC Dairy Products is a sale of: 
(a) Current Assets 
(b) Goods 
(c) Furniture 
(d) None of these.

53. Expenses paid in advance represent the firm's: 
(a) Liabilities 
(b) Assets 
(c) Capital 
(d) None of these.

54. Rent paid to landlord will be recorded in: 
(a) Landlord's a/c 
(b) Building a/c 
(c) Rent a/c 
(d) Rent payable a/c.

55. Income received in advance by the business represents firm's: 
(a) LIABILITY 
(b) Assets 
(c) Capital 
(d) None of these.

56. Expenses paid in advance represent the firm's: 
(a) Liability 
(b) Assets 
(c) Capital 
(d) None of these.

57. Goods sold to Hari for Rs 800 will be debited to: 
(a) Hari's a/c 
(b) Cash a/c 
(c) Sales a/c 
(d) Goods a/c.

58. Good purchased from Krishna for Rs 500 will be credited to: 
(a) Purchases a/c 
(b) Cash a/c 
(c) Krishna's a/c 
(d) Goods a/c.

59. Sale of Goods to Hari for cash Rs 800 will be debited to: 
(a) Hari's a/c 
(b) Cash a/c 
(c) Sales a/c 
(d) Goods a/c.

60. Loss of goods by fire will be credited to: 
(a) Goods a/c 
(b) Loss by fire a/c 
(c) Capital a/c 
(d) None of these.

61. Sale of furniture by ABC Dairy Products is a sale of: 
(a) Current Assets 
(b) Goods 
(c) Furniture 
(d) None of these.
61. Purchase of Steel by Ram Steel Factory is purchase of
   (a) Goods  (b) Assets  (c) Goods & Assets  (d) None of these

62. Goods returned by customer will be debited to
   (a) Purchases return a/c  (b) Customer's a/c  (c) Sales Return a/c  (d) goods a/c

63. Every business transaction affects two or more than two a/c's but with the
   (a) Different amounts  (b) Same amounts  (c) Sometimes Same amount  (d) None of these

64. Balance sheet does not record the balances of
   (a) Real a/c's  (b) Personal a/c's  (c) Nominal a/c's  (d) Real & personal a/c's

65. Personal a/c's will have following balance
   (a) Debit balance  (b) Credit balance  (c) Debit & Credit balance  (d) Debit or Credit balance

66. Purchase of Machinery on credit will be recorded in
   (a) Real & Nominal a/c  (b) Nominal a/c  (c) Real & Personal a/c  (d) Real a/c

67. Gross Income will increase if
   (a) Opening stock decreases  (b) closing stock increases  (c) Purchases decreases  (d) All of these

68. Carriage inwards is a
   (a) Direct expenses  (b) Prepaid expenses  (c) Indirect expense  (d) Outstanding expense

69. Liquid assets = Current Assets minus
   (a) prepaid expenses  (b) Outstanding expenses  (c) Stock  (d) Stock plus prepaid expenses.

70. Book keeping does not involve
   (a) Recording  (b) Classifying  (c) Identifying  (d) Interpreting

71. Accounting equation shows equality between
   (a) Liabilities & Capital  (b) Capital & Assets  (c) Assets & Liabilities  (d) Assets & Liabilities + Capital

72. Decrease in Capital with corresponding decrease in Asset will take place when
   (a) Payment is made to creditor  (b) Goods are purchased  (c) Income tax is paid  (d) None of these

73. Decrease in Capital & Increase in Liability will take place when
   (a) Loan is taken  (b) Capital is withdrawn  (c) Capital is converted to loan  (d) None of these

74. Increase & decrease in Liabilities will take place when
   (a) Creditors are returned goods  (b) Creditors draw Bill of exchange  (c) Loan is returned  (d) None of these

75. Increase & decrease in capital will take place when there is
   (a) Interest on Drawings  (b) Interest on capital  (c) Transfer of shares of a company from one shareholder to another  (d) All of these

76. Payment of Salary to Anil, the manager will:
   (a) Decrease Assets & capital  (b) Decrease Assets & Liabilities  (c) Decrease capital & Increase Assets  (d) None of these.

77. Mohan spent Rs 4000 on installation of a machine. The transaction will
   (a) Decrease Assets & Capital  (b) Decrease & Increase Assets  (c) Decrease & Increase Capital  (d) Decrease & Increase Liability