

Question No: 2 (Marks: 1) - Please choose one

Income of the business includes:

- ▶ **Cash sales only**
- ▶ Credit sales only
- ▶ Credit purchases only
- ▶ **Both cash sales and credit sales**

Question No: 3 (Marks: 1) - Please choose one

Which of the following is used to record financial transactions in chronological (day-to-day) order?

- ▶ Voucher
- ▶ **General Journal**
- ▶ General Ledger
- ▶ Trial balance

Question No: 4 (Marks: 1) - Please choose one

The original book of entry, in which all vouchers are first recorded, is called:

- ▶ **General Journal**
- ▶ General Ledger
- ▶ Trial Balance
- ▶ Balance Sheet

Question No: 5 (Marks: 1) - Please choose one

A book, in which receipts and payments are recorded, is known as:

- ▶ **Pass Book**
- ▶ **Cash Book**
- ▶ Purchase Book
- ▶ Sales Book

Question No: 6 (Marks: 1) - Please choose one

Which of the following period is known as a fiscal Year of the Government of Pakistan?

- ▶ 1st January to 31st December
- ▶ 1st June to 31st May
- ▶ **1st July to 30th June**

▶ 1st October to 30th September

Question No: 7 (Marks: 1) - Please choose one

Which of the following is/are the **END** product of accounting cycle?

▶ **Financial Statements**

- ▶ General Journal
- ▶ General Ledger
- ▶ Voucher

Question No: 8 (Marks: 1) - Please choose one

Which of the following is **NOT** considered a part of financial statements?

▶ **General Ledger**

- ▶ Balance Sheet
- ▶ Profit and Loss Account
- ▶ Cash Flow Statement

Question No: 9 (Marks: 1) - Please choose one

The amount of salary paid to Mr. Sohail should be debited to:

- ▶ Mr. Sohail account
- ▶ **Salaries account**
- ▶ Cash account
- ▶ Drawings account

Question No: 10 (Marks: 1) - Please choose one

If the cost of sales is Rs. 60,000, sales are Rs. 90,000 and operating expenses are Rs. 25,000 during the year. What would be the Net Profit?

▶ **Rs. 5,000**

- ▶ Rs. 25,000
- ▶ Rs. 55,000
- ▶ Rs. 60,000

Question No: 11 (Marks: 1) - Please choose one

If the cost of sales is Rs. 60,000, sales are Rs. 95,000 and operating expenses are Rs. 20,000 during the year, what would be the value of Gross Profit?

▶ Rs. 15,000

▶ **Rs. 35,000**

▶ Rs. 55,000

- ▶ Rs. 60,000

Question No: 12 (Marks: 1) - Please choose one

If salaries expense is Rs. 2,500, purchases are Rs. 16,000 and rent (office building) is Rs. 300 during the year, what would be the total of "general & administrative expenses"?

- ▶ Rs. 300
- ▶ Rs. 2,500
- ▶ Rs. 2,800
- ▶ Rs. 18,800

Question No: 13 (Marks: 1) - Please choose one

The Primary objective of providing depreciation is:

- ▶ To calculate true profit
- ▶ To show the asset on market value
- ▶ To reduce tax Burdon
- ▶ To provide funds for replacement

Question No: 14 (Marks: 1) - Please choose one

Accounting is the language of:

- ▶ Business
- ▶ School
- ▶ Proprietor
- ▶ Management

Question No: 15 (Marks: 1) - Please choose one

Depreciation arises because of:

- ▶ Fall in the market value of an asset
- ▶ Fall in the value of money
- ▶ Physical wear and tear
- ▶ All of the given options

Question No: 16 (Marks: 1) - Please choose one

Find out the missing value of an Accounting Equation with the help of given data:

Owner's equity	Rs. 22,500
Total Liabilities	Rs. 80,385

Cash in hand	Rs. 1,000
Cash at bank	Rs. 2,000
Debtors	Rs. 500

- ▶ Rs. 1, 02,885 other assets
- ▶ Rs. 1, 02,885 other liabilities
- ▶ Rs. 99,885 current liabilities
- ▶ Rs. 99,385 other assets

Question No: 17 (Marks: 1) - Please choose one

When the Bank Statement balance is more than the Cash Book balance, it is because of:

- ▶ Unpresented cheques
- ▶ Unrecorded bank charges
- ▶ Uncredited cheques
- ▶ None of the given options

Question No: 18 (Marks: 1) - Please choose one

Upon checking the Bank Statement against the Cash Book by Mr. A, It was discovered that an amount of Rs.120 for dividend from XYZ Co. had not been entered in the Cash Book. Which of the following entry should be recorded to rectify the mistake?

- ▶ Bank Account(Dr.) and Dividend Account (Cr.)
- ▶ XYZ Co. Account (Dr.) and Bank Account (Cr.)
- ▶ Dividend Account (Dr.) and Bank Account (Cr.)
- ▶ Bank Account (Dr.) and XYZ Co. Account (Cr.)

Question No: 19 (Marks: 1) - Please choose one

Which of the following subsidiary book(s) is (are) maintained for debtors control account?

- ▶ Sales Day Book
- ▶ Sales Return
- ▶ Debtors Ledger
- ▶ All of the given options

Question No: 20 (Marks: 1) - Please choose one

Which of the following is shown on credit side of creditors control account?

- ▶ Bills Receivable
- ▶ Return inwards
- ▶ Credit purchases

- ▶ Discount allowed

Question No: 21 (Marks: 1) - Please choose one

Which of the following account(s) will be affected, while rectifying the error of carriage charges, paid for a new plant purchased mistakenly debited to carriage account?

- ▶ Plant account
- ▶ Carriage account
- ▶ Both plant account and carriage account
- ▶ Trading account

Question No: 22 (Marks: 1) - Please choose one

Which of the following rectifying entry will be recorded, if sales to Mr. "A" of Rs.336 have been debited to Mr. "B" account?

- ▶ A's account (Dr.) and B's account (Cr.)
- ▶ B's account (Dr.) and A's account (Cr.)
- ▶ Sales account (Dr.) and B's account (cr.)
- ▶ B's account (Dr.) and Sales account (Cr.)

Question No: 23 (Marks: 1) - Please choose one

Following information are extracted from books of Mr. XYZ

Particulars	Rs.
Bad Debts (Given in trial balance)	500
Old provisions (Given in trial balance)	700
Sundry Debtors (Given in trial balance)	44,800

If the Provision for doubtful debts has been increased by 5%, which amount of new provision will be shown in Profit & Loss Account?

- ▶ Rs. 2,240
- ▶ Rs. 2,425
- ▶ Rs. 1,925
- ▶ Rs. 3,025

Question No: 24 (Marks: 1) - Please choose one

An asset which is **NOT** easily convertible to cash or not expected to become cash within a period of twelve months is called:

- ▶ Liquid asset
- ▶ Current asset
- ▶ Fixed asset
- ▶ Floating asset

Question No: 25 (Marks: 1) - Please choose one

When closing stock is given in trial balance, then it will effect:

- ▶ Trading account only
- ▶ Balance sheet only
- ▶ Owner's equity only
- ▶ Both Trading account and Balance sheet

Question No: 26 (Marks: 1) - Please choose one

Which of the following is **CORRECT** if depreciation is given in trial balance?

- ▶ All of the given options are correct
- ▶ It means depreciation has already been deducted from concerned asset account
- ▶ It will be shown as an expense in income statement only
- ▶ It will not be deducted from concerned asset in Balance Sheet

Question No: 27 (Marks: 1) - Please choose one

Identify the selling expenses of manufacturing concern with the help of given data.

Particulars	Rs.
Salesman's salary	70,000
Commission on sales	28,000
Carriage outward	10,000
Carriage inward	5,000

- ▶ Rs. 80,000
- ▶ Rs. 60,000
- ▶ Rs. 38,000
- ▶ Rs. 1, 08,000

Question No: 28 (Marks: 1) - Please choose one

In case of fixed capital accounts, other transactions such as Drawings and Profit etc. are recorded in a separate account that is called _____.

- ▶ Fixed Capital Account
- ▶ Current Account
- ▶ Fluctuating Capital Account
- ▶ Floating Capital Account

Question No: 29 (Marks: 1) - Please choose one

Which of the following clause/s are discussed in Memorandum of Association of Companies?

- ▶ Name of company
- ▶ Place of registered office of company
- ▶ Objective of the company

- ▶ All of the given options

Question No: 30 (Marks: 1) - Please choose one

In Income Statement, both beginning inventory and ending inventory appear in the section of:

- ▶ Cost of good sold
- ▶ Indirect cost
- ▶ Selling cost
- ▶ Factory over head cost

Question No: 31 (Marks: 1) - Please choose one

In which of the following auditor's remuneration payable is shown?

- ▶ In balance sheet under the head of current liabilities only
- ▶ In balance sheet under the head of current assets only
- ▶ In income statement under the administrative expense only
- ▶ In both balance sheet under the head of current liabilities and income statement under the administrative expense

Question No: 32 (Marks: 1) - Please choose one

How dividend declared is treated in the Balance Sheet of the company?

- ▶ Provision
- ▶ Current liability
- ▶ Reserves and surplus
- ▶ Current assets

Question No: 33 (Marks: 1) - Please choose one

The balance sheet reported a beginning balance of Rs. 20,000 in Accounts Receivable and an ending balance of Rs. 15,000. Credit Sales of Rs. 200,000 were made during the year. Using this information, compute cash collected from customers.

- ▶ Rs. 205,000
- ▶ Rs. 215,000
- ▶ Rs. 195,000
- ▶ Rs. 200,000

Question No: 34 (Marks: 1) - Please choose one

Which of the following statement is **NOT TRUE** about the limited company form of business?

- ▶ The limited company form of business allows ownership of the business to be spread amongst many people
- ▶ Shareholders can appoint professionals

▶ Shareholders are personally liable for all the liabilities incurred by the business

▶ Regular filing of information about the affairs of the company is a legal requirement

Question No: 35 (Marks: 1) - Please choose one

In calculating earning per share (EPS), the net profit is divided by which of the following?

- ▶ Number of ordinary shares
- ▶ Number of preference shares
- ▶ Paid up capital
- ▶ Authorized capital

Question No: 36 (Marks: 1) - Please choose one

Which of the given Asset is **Not** included in the calculation acid test ratio?

- ▶ Stock
- ▶ Cash
- ▶ Debtors
- ▶ Bills Receivable

Question No: 37 (Marks: 1) - Please choose one

Particulars	Rs.
Debentures	1, 50, 000
Equity Capital	2, 00,000
General Reserve	90, 000
Accumulated profit	60,000
What is debt equity ratio	?

- ▶ 15: 20 (or 3:4)
- ▶ 15:24 (or 5: 8)
- ▶ 15:29
- ▶ 15:35 (or 3: 7)

Question No: 38 (Marks: 1) - Please choose one

Normally the practice of Book Keeping under Single Entry System is followed by:

- ▶ Small businesses only
- ▶ Governments only
- ▶ Large scale businesses only
- ▶ Both small businesses and governments

Question No: 39 (Marks: 1) - Please choose one

In which of the following case the bank cannot refuse the payment?

- ▶ Stale cheque

- ▶ Bearer cheque
- ▶ Insolvency of the customer
- ▶ Post dated cheque

Question No: 40 (Marks: 1) - Please choose one

Stock account is debited and creditors account is credited, which of the following is reflecting the statement?

- ▶ Discount received
- ▶ Goods returned
- ▶ Purchase of goods on credit
- ▶ Payment of goods

Question No: 41 (Marks: 1) - Please choose one

Payment is made of a company's purchases on credit, which of the following is correct:

- ▶ Debit stock account and credit creditors account
- ▶ Debit creditors account and credit cash account
- ▶ Debit cash account and credit creditors account
- ▶ Debit stock account and credit cash account

Question No: 42 (Marks: 1) - Please choose one

We usually allow the customer to deduct a certain amount from the invoice value for prompt payment. In doing so we are granting a:

- ▶ Commission
- ▶ Allowance
- ▶ Discount
- ▶ Rebate

Question No: 43 (Marks: 1) - Please choose one

What will be obtained from the Purchases Returns Book?

- ▶ Discount received
- ▶ Returns outward
- ▶ Credit purchases
- ▶ Discount allowed

Question No: 44 (Marks: 1) - Please choose one

Deferred cost is classified as:

- ▶ Current liability
- ▶ Current asset
- ▶ Non-current asset
- ▶ Non-current liability

Question No: 45 (Marks: 1) - Please choose one

Which of the following is increased when an asset is converted into expense in adjustment?

- ▶ Revenue
- ▶ Net income
- ▶ Expense
- ▶ Liability

Question No: 46 (Marks: 1) - Please choose one

Accumulated depreciation is a _____ account?

- ▶ Fixed asset
- ▶ Current asset
- ▶ Contra asset
- ▶ Liability

Question No: 47 (Marks: 1) - Please choose one

Failure to record _____ will result in understates net income.

- ▶ Accrued expenses
- ▶ Expenses incurred
- ▶ Accrued revenues
- ▶ Accounts payable

Question No: 48 (Marks: 1) - Please choose one

Puget Sound Co. sold marketable securities Costing Rs.80,000 for Rs.92,000 cash. In the company's income statement and statement of cash flows, respectively, this will appear as:

- ▶ A Rs.12,000 gain and a Rs.92,000 cash receipt
- ▶ A Rs.92,000 gain and a Rs.8,000 cash receipt
- ▶ A Rs.12,000 gain and a Rs.80,000 cash receipt
- ▶ A Rs.92,000 sale and a Rs.92,000 cash receipt

Question No: 49 (Marks: 1) - Please choose one

Mr. A & B entered into a partnership invested Rs.50,000 and Rs.65,000 with an equal share in profit or loss. Markup on drawings of Mr. A is Rs.1,500 and of Mr. B is Rs.1,800. The net income for the year is Rs.85,000. What will be the amount of distributable profit?

- ▶ Rs.81,700
- ▶ Rs.88,300
- ▶ Rs.131,700
- ▶ Rs.146,700

Question No: 50 (Marks: 1) - Please choose one

Mr. A & B entered into a partnership with an equal investment and equal share in profit or loss. Markup on capital of Mr. A is Rs.2,000 and markup on drawings of Mr. B is Rs.3,000. The net income for the year is Rs.50,000. What will be the profit share of Mr. A?

- ▶ Rs.22,500
- ▶ Rs.25,500
- ▶ Rs.27,500
- ▶ Rs.55,000

Question No: 51 (Marks: 1) - Please choose one

Mr. A & B entered into a partnership invested Rs.50,000 and Rs.65,000 with an equal share in profit or loss. Markup on capital of Mr. A is Rs.2,000 and markup on drawings of Mr. B is Rs.3,000. The net income for the year is Rs.85,000.

What will be the profit share of Mr. B?

- ▶ Rs.40,000
- ▶ Rs.43,000
- ▶ Rs.130,000
- ▶ Rs.133,000

Question No: 52 (Marks: 1) - Please choose one

The value of a share as quoted on the stock exchange is known as:

- ▶ Book value
- ▶ Par value
- ▶ Market value
- ▶ Face value

Question No: 53 (Marks: 1) - Please choose one

Which of the following is not a measure of short-term liquidity?

- ▶ Current ratio
- ▶ Quick ratio
- ▶ Acid-test ratio
- ▶ Debt ratio

Question No: 1 (Marks: 1) - Please choose one

Shares for which amount is paid by public are called _____ shares.

▶ **Paid up**

- ▶ Authorized
- ▶ Bonus shares

- ▶ All are correct options



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