



ZIAUDDIN UNIVERSITY
EXAMINATION BOARD

RESOURCES FOR
“HSC-I ACCOUNTING”
ZUEB EXAMINATIONS 2021



PREFACE:

The ZUEB examination board acknowledges the serious problems encountered by the schools and colleges in smooth execution of the teaching and learning processes due to sudden and prolonged school closures during the covid-19 spread. The board also recognizes the health, psychological and financial issues encountered by students due to the spread of covid-19.

Considering all these problems and issues the ZUEB Board has developed these resources based on the condensed syllabus 2021 to facilitate students in learning the content through quality resource materials.

The schools and students could download these materials from www.zueb.pk to prepare their students for the high quality and standardized ZUEB examinations 2021.

The materials consist of examination syllabus with specific students learning outcomes per topic, Multiple Choice Questions (MCQs) to assess different thinking levels, Constructed Response Questions (CRQs) with possible answers, Extended Response Questions (ERQs) with possible answers and learning materials.

ACADEMIC UNIT ZUEB:

1: Multiple Choice Questions:

The Multiple-Choice Questions with a stem, correct answer and 3 distractors or plausible wrong answers format is designed to assess the content and thinking of students from; R (Remembering); U(Understanding) and A (Applying, Analyzing, Evaluating, Creating). The questions are also classified into three difficulty levels accordingly; D (DIFFICULT), M (MODERATE), E (EASY)

HOW TO ATTEMPT AN MCQ:

MCQ:

- EACH MCQ HAS FOUR OPTIONS, A, B, C AND D. SELECT ONE OPTION AS THE BEST ANSWER AND FILL IN THE CIRCLE OF THAT OPTION, FOLLOWING THE INSTRUCTIONS GIVEN BY THE INVIGILATOR.
- USE BLACK PEN/PENCIL TO FILL IN THE CIRCLE.

Correct Way	Wrong Ways		
1	1	2	3
(a)	(a)	(a)	(a)
(b)	(b)	(b)	(b)
(c)	(c)	(c)	(c)
(d)	(d)	(d)	(d)

S#	MCQ'S MATERIAL	KEY	CL	DL
1.	Owner withdrew cash from bank and paid office rent. The entry will be:	a) <u>Drawings Dr. Cash Cr.</u> b) Drawings Dr. Bank Cr. c) Rent Exp. Dr. Bank Cr. d) Rent Exp. Dr. Prepaid Rent Cr	K/R	70%
2.	Payment for 2-year insurance premium by cheque would be charged to:	a) Insurance Expense b) <u>Prepaid insurance</u> c) Unearned insurance d) Insurance income	U	50%
3.	At the end of the period, prepaid insurance showed debit balance of Rs. 6,000. It was determined that 1,000 are still prepaid. The adjusting entry would be	a) Prepaid insurance Dr. Cash Cr. 5,000 b) <u>Insurance expense Dr. 5,000</u> <u>Prepaid insurance Cr.</u> c) Insurance expense Dr. 1,000 Prepaid insurance Cr. d) Prepaid insurance Dr. 1,000 Insurance expense Cr.	K/U	60%

4.	Owner paid his own house rent from office cash. The entry would be	a) <u>Drawings Dr. Cash Cr.</u> b) Drawing Dr. Rent Cr. c) Rent Dr. Cash Cr. d) Rent Dr. Drawing Cr.	K/R	70%
5.	Purchase of supplies on account would be recorded as	a) Purchases Dr. Cash Cr. b) <u>Office supplies Dr. A/c payable Cr.</u> c) Drawings Dr. Cash Cr. d) Office supplies Dr. bills payable Cr.	U	45%
6.	Unearned fees income at the end of the year shows credit balance of Rs. 4,000. At the end of the year it was determined that Rs. 1,000 is still unearned, the adjusting entry would be:	a) <u>Unearned fees income Dr. 3,000 Fees income Cr.</u> b) Unearned fees income Dr. 1,000 fees income Cr. c) Fees income Dr. 1,000 unearned fees income Cr. d) Fees income Dr. 3,000 unearned fees income Cr.	K/U	30%
7.	Owner started business with cash 50,000, Building 600,000 and Accounts payable 30,000. His capital will be credited by:	a) <u>Rs. 650,000</u> b) Rs. 600,000 c) Rs. 680,000 d) Rs. 620,000	K/R	20%
8.	If unearned rent is debited, the credit account would be	a) <u>Rent Revenue</u> b) Rent Expense c) Rent Receivable d) Rent payable	U	70%
9.	If prepaid insurance is debited, the credit will be given to	a) Insurance payable b) <u>Insurance expense</u> c) Unearned insurance d) Insurance unexpired	K/U	50%
10.	If commission receivable is debited, the credit will be given to	a) Commission unearned b) Commission expense c) <u>Commission income</u> d) Commission payable	K/R	60%
11.	If total assets are 1,000,000 and liabilities are 20% of assets, the owners' equity will be	a) Rs. 700,000 b) Rs. 1,200,000 c) <u>Rs. 800,000</u> d) Rs. 1,000,000	U	70%
12.	If purchase of merchandise is understated, this will result in	a) Understatement of owners' equity b) <u>Overstatement of owners' equity</u> c) Overstatement of liabilities d) Overstatement of assets	K/U	70%

13.	Sale of merchandise on credit will be recorded as	<ul style="list-style-type: none"> a) Accounts Receivable Dr. Cash Cr. b) <u>Accounts Receivable Dr. Sales Cr.</u> c) Cash Dr. Sales Cr. d) Cash Dr. Accounts Receivable Cr. 	K/R	50%
14.	Cash was found short, the journal entry would be	<ul style="list-style-type: none"> a) Cash Dr. Cash short/over Cr. b) <u>Cash short/over Dr. Cash Cr.</u> c) Cash Dr. Income Cr. d) Cash Dr. Bank Cr. 	U	60%
15.	If the adjusting entry consists of fees income Dr. and unearned Fees Cr. This shows	<ul style="list-style-type: none"> a) Advance fees receivable b) <u>Fees income is received in advance</u> c) Fees income earned d) Advance payment is lost 	K/U	70%
16.	If one asset increases and another decreases, the transaction would be	<ul style="list-style-type: none"> a) Investment by proprietor b) Withdrawal by proprietor c) <u>Purchased an asset against cash</u> d) Purchases of an asset on account 	K/R	70%
17.	Gross Profit + Cost of goods sold is called	<ul style="list-style-type: none"> a) <u>Net sales</u> b) Gross sales c) Cost of goods available for sale d) Net profit 	U	50%
18.	Net profit + operating expenses is called	<ul style="list-style-type: none"> a) Net sales b) <u>Gross profit</u> c) Net loss d) Cost of goods sold 	K/U	60%
19.	(Cash + other assets) – (Current + long term liabilities) is called	<ul style="list-style-type: none"> a) <u>Proprietorship</u> b) Total assets c) Total equities d) Net loss 	K/R	70%
20.	Purchase of equipment for resale on a/c is recorded as	<ul style="list-style-type: none"> a) <u>Purchases Dr. Accounts payable Cr.</u> b) Equipment Dr. Cash Cr. c) Purchases Dr. Cash Cr. d) Cash Dr. Equipment Cr. 	U	70%
21.	Payment from bank for personal house rent will be recorded as	<ul style="list-style-type: none"> a) Drawing Dr. Cash Cr. b) <u>Drawings Dr. Bank Cr.</u> c) Rent expense Dr. Rent payable Cr. d) Rent payable Dr. Cash Cr 	K/U	50%
22.	Unearned Rent by nature is	<ul style="list-style-type: none"> a) <u>Liability</u> b) Asset c) Expense 	K/R	60%

		d) Income		
23.	The income earned but not received is called	a) <u>Income Receivable</u> b) Unearned income c) Income earned d) Income payable	U	70%
24.	The income received but not earned is called	a) Income earned b) Income receivable c) Prepaid expense d) <u>Unearned income</u>	K/U	70%
25.	Pre payments are recorded in Balance sheet as	a) Liability b) <u>Asset</u> c) Expense d) Income	K/R	50%
26.	Allowance for Depreciation, deducted from Asset, is reported on	a) <u>Balance Sheet Assets side</u> b) Balance sheet liability side c) Income statement d) Bank reconciliation statement	U	60%
27.	Trial Balance contains	a) Assets and liabilities b) Incomes and expenses c) Accounts having only debit balances d) <u>All ledger accounts balances</u>	K/U	70%
28.	Cash, Receivable, inventory and prepaid expenses are	a) <u>Current Assets</u> b) Fixed Assets c) Intangible Assets d) None of the above	K/R	70%
29.	Journal entries required at the end of the year to update the accounts are called	a) Correcting entries b) Reversing entries c) <u>Adjusting entries</u> d) Closing entries	U	50%
30.	Prepayments are reported on Balance sheet under the heading of	a) <u>Current Assets</u> b) Fixed Assets c) Current liabilities d) Long term liabilities	K/U	60%
31.	The nature of an asset is best described as	a) Something with physical form that is valued at cost in the accounting records. b) <u>An economic resource owned by a business and expected to benefit future operation.</u> c) An economic resource representing cash or the right to receive cash in the near future. d) Something owned by a business that has a ready market value.	K/R	70%

32.	When the owner withdraw cash for personal use then	<ul style="list-style-type: none"> a) Assets decreases and owner's equity increases. b) <u>Assets decreases and owner's equity decreases.</u> c) Liability decreases & assets decrease. d) Liability increase and assets decrease 	U	70%
33.	In periodic inventory system, the transaction, purchased with cash you should	<ul style="list-style-type: none"> a) Debit furniture & Credit Cash b) Debit Merchandise & Credit Cash c) <u>Debit Purchase & Credit Cash</u> d) Debit Rent & Credit Cash 	K/U	50%
34.	Paid insurance premium Rs.5,000/- by Cheque entry would be recorded on	<ul style="list-style-type: none"> a) Receipt side of the cash book. b) <u>Payment side of the cash book.</u> c) Both sides of the cash book. d) Something other than above 	K/R	60%
35.	Paid for V. P. P. Rs.255 which of the following category would be used	<ul style="list-style-type: none"> a) Office supplies b) <u>Postage & Telegram</u> c) Cartage d) Entertainment 	U	70%
36.	A subsidiary ledger containing only Customers accounts is.	<ul style="list-style-type: none"> a) Accounts payable subsidiary ledger b) <u>Accounts receivable subsidiary ledger</u> c) General ledger d) None of the above 	K/U	70%
37.	In a Bank Reconciliation, a NSF cheque is	<ul style="list-style-type: none"> a) Added to the bank balance b) Deducted from the bank balance c) Added to the cash book balance d) <u>Deducted from the cash book balance</u> 	K/R	50%
38.	The basic functions of an accounting system include which of the following?	<ul style="list-style-type: none"> a) Recording of financial information b) Analyzing of financial information c) Summarizing the financial information d) <u>All of the above.</u> 	U	60%
39.	The cash book is	<ul style="list-style-type: none"> a) Ledger b) <u>Subsidiary Journal</u> c) Trial Balance d) Financial Statement 	K/U	70%

40.	Small amount of business payments are recorded in	a) Purchase Journal b) Sales Journal c) <u>Petty Cash Book</u> d) Subsidiary Ledger	K/R	70%
41.	Which of the following does not affect trial balance agreement?	a) Purchase of Rs. 5,000/- from Hassan Industries Completely Omitted from the books. b) Sales of Rs. 8,000/- to Taha Company entered in its account at Rs.800/-. c) Rent account wrongly added up by Rs. 1,000/-. d) <u>Account receivable only of Rs. 3,000/- was not recorded on trial balance</u>	U	50%
42.	Which of the following is the main source for recording in purchase journal?	a) Money paid to supplier. b) Debit note issued to supplier c) <u>Purchase invoices</u> d) Sales invoices.	K/U	60%
43.	The prime function of accounting is to	a) Record cash data b) Provide the information basis for action c) <u>Classifying and recording business transactions</u> d) None of the above	K/R	70%
44.	Debtors are also known as	a) <u>Account receivable</u> b) Account payable c) Bills payable d) Proprietors	U	70%
45.	The person to whom money is owed is	a) <u>A creditor</u> b) A debtor c) An owner d) Agent	K/U	50%
46.	Cash discount is provided on	a) <u>Prompt payment</u> b) Sale c) Purchase d) Loan payable	K/R	60%
47.	Bad debt is a business	a) Asset b) Liability c) <u>Loss</u> d) Profit	U	70%
48.	A transaction will be possible, when there will be	a) One party b) <u>Two parties</u> c) No party d) None of the above	K/U	70%
49.	Real accounts are related to	a) <u>Assets</u>	K/R	50%

		b) Expenses, losses and incomes c) Customer, creditor etc d) Incomes		
50.	The Imprest system is used in	a) Sales journal b) Cash book c) <u>Petty cash book</u> d) Ledger account	U	60%
51.	Provision of doubt full account is also called	a) Creditor b) Purchase account c) Sales account d) <u>Allowance for bad debts</u>	K/U	70%
52.	Income statement shows	a) Profit or loss through sales of assets b) Total capital employed c) Profit or loss distribution d) <u>Profit or loss from business operations</u>	K/R	70%
53.	The sales on credit is recorded in	a) <u>Sales journal</u> b) General journal c) Cash book d) None of above	U	50%
54.	Which of the following is recorded in the Income Statement?	a) Prepaid rent b) Office supplies c) <u>Office supplies expense</u> d) Cash	K/U	60%
55.	A contra entry in cash book means	a) <u>Entry should be recorded on both sides of the Cash Book</u> b) Transfer of cash from Bank account to Cash Book c) Transfer of cash from Cash Book to Bank account d) All of the above.	K/R	70%
56.	In Bank Reconciliation statement, the adjusting entries are made only for	a) <u>Cash Book Adjustment</u> b) Pass Book Adjustment c) Both of the above d) None of the above	U	70%
57.	The two sides of a balance sheet consist of	a) Assets and Revenues b) <u>Assets and Equities</u> c) Capital and Expenses d) Incomes and expenses	K/U	50%
58.	In a balance sheet	a) The Total assets should be equal Total liabilities b) The Total assets should be equal to Total Capital c) <u>The Total assets should be equal to Total Equities</u>	K/R	60%

		d) All of the above.		
59.	Which of the following is not a business transaction?	a) Owner invested cash into business Rs.10,000. b) Owner brought old furniture form his house to business for Rs.20,000 c) Owner took away some goods form business for his children for Rs,1,000. d) <u>Owner paid electricity bill for residential house for Rs.3,000 from his personal resources.</u>	U	70%
60.	Allowance for depreciation account	a) Reduces the value of current assets b) Increases the value of fixed assets c) Reduces the value of all fixed assets d) <u>Reduces the value of fixed assets other than Land</u>	K/U	70%
61.	The credit terms 2/10, n/30 means	a) 2% Discount is allowed if amount is paid in 10 days. b) Maximum period for payment is 30 days c) The discount will not be allowed if payment is made after 10 days d) <u>All of the above</u>	K/R	50%
62.	The trial Balance prepared after adjustment is called	a) Adjustment Trial Balance b) <u>Adjusted Trial Balance</u> c) Un-adjusted Trial Balance d) None of the above	U	60%
63.	In Income Statement, Purchase Discount is	a) Added to Purchases b) <u>Subtracted from Purchases</u> c) Added to Sales Return d) All of them	K/U	70%
64.	In a balance sheet, the net loss is	a) Not shown at all b) Added to Capital c) <u>Subtracted from capital</u> d) None of the above	K/R	70%
65.	If the accounting year ends on June 30, the closing entries for the year 2007-08 will be passed on	a) December 31, 2008 b) January 1, 2009 c) <u>June 30, 2008</u> d) None of the above	U	50%

66.	Recording Bad Debt Expense in a Journal is	a) A Journal Entry b) <u>An Adjusting Entry</u> c) A Reversing Entry d) None of them	K/U	60%															
67.	An activity which is undertaken with the objective of earning profit is called	a) Charity b) <u>Business</u> c) Journalizing d) None of the above	K/R	70%															
68.	The amount of cash and non-cash property invested in the firm by its owner is called	a) Drawing b) Assets c) <u>Capital</u> d) Liabilities	U	70%															
69.	An exchange of value is called	a) <u>Transaction</u> b) Entry c) Account d) None of the above	K/U	50%															
70.	Purchase Journal records only	a) Purchase of current assets on cash b) Purchase of office supplies on account c) Purchase of merchandise on cash d) <u>Purchase of merchandise on account</u>	K/R	60%															
71.	An entry which affects both the debit and credit column of a cash book is called	a) Single entry b) Compound entry c) <u>Contra entry</u> d) Adjusting entry	U	70%															
72.	A system in which responsibility is assigned for the maintenance of the petty cash fund to an employee for making payment and replenishing the fund is called:	a) Double entry system b) Single entry system c) <u>Imprest system</u> d) None of the above	K/U	70%															
73.	Which of the following is not an asset?	a) Building b) Accounts receivable c) Prepaid insurance d) <u>Unearned commission</u>	K/R	50%															
74.	Which of the following is liability?	a) Rent revenue b) <u>Accounts payable</u> c) Salaries expenses d) Loan to Ahmed	U	60%															
75.	Which of the following is incorrect?	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets Rs. Rs.</th> <th style="text-align: left;">Liabilities Rs.</th> <th style="text-align: left;">Capital Rs.</th> </tr> </thead> <tbody> <tr> <td>a) 7,850</td> <td>1,250</td> <td>6,600</td> </tr> <tr> <td>b) 8,200</td> <td>2,800</td> <td>5,400</td> </tr> <tr> <td>c) <u>9,550</u></td> <td><u>1,150</u></td> <td><u>8,200</u></td> </tr> <tr> <td>d) 6,540</td> <td>1,120</td> <td>5,420</td> </tr> </tbody> </table>	Assets Rs. Rs.	Liabilities Rs.	Capital Rs.	a) 7,850	1,250	6,600	b) 8,200	2,800	5,400	c) <u>9,550</u>	<u>1,150</u>	<u>8,200</u>	d) 6,540	1,120	5,420	K/U	70%
Assets Rs. Rs.	Liabilities Rs.	Capital Rs.																	
a) 7,850	1,250	6,600																	
b) 8,200	2,800	5,400																	
c) <u>9,550</u>	<u>1,150</u>	<u>8,200</u>																	
d) 6,540	1,120	5,420																	

76.	Which of the following should not be called sales?	a) <u>Sold old furniture for cash</u> b) Sold merchandise for cash c) Sold merchandise on credit d) Sales of item previously included in sales	K/R	70%
77.	It is true that the trial balance totals should agree.	a) No, there are sometimes good reasons why they differ b) Yes, except where the trial balance is extracted at the year end c) <u>Yes always</u> d) No, because it is not a balance sheet	U	50%
78.	When Ahmed draws a cheque and sends to Bashir, then Bashir is known as	a) Drawer b) <u>Drawee</u> c) Creditor d) Debtor	K/U	60%
79.	A cash discount is best described as a reduction in the sum to be paid	a) <u>If payment is made with in previously agreed period</u> b) If payment is made in cash c) If payment is made by cheque d) If purchases are made for cash	K/R	70%
80.	Sales invoices are first entered in.	a) Cash book b) <u>Sales journal</u> c) Sales account d) Petty cash book	U	70%
81.	Credit note issued by us is entered in	a) Purchases journal b) Sales journal c) Purchases returns and allowances journal d) <u>Sales returns and allowance journal</u>	K/U	50%
82.	Depreciation is	a) The amount spent to purchase a fixed asset b) The salvage value of a fixed asset c) The amount of money spent in replacing assets d) <u>None of the above</u>	K/R	60%
83.	Allowance for bad debts is created	a) When accounts receivable become bankrupt b) <u>To provide for possible bad debts</u> c) To write off bad debts d) None of the above	U	70%
84.	Capital expenditure is	a) The cost of running the business	K/U	70%

		<ul style="list-style-type: none"> b) The extra capital paid by the proprietor c) <u>Money spent on buying fixed assets</u> d) None of the above 		
85.	Working capital means	<ul style="list-style-type: none"> a) Excess of total assets over total liabilities b) <u>Excess of current assets over current liabilities</u> c) Capital invested by proprietor d) Capital less drawing 	K/R	50%
86.	A cheque issued but not yet presented to bank is	<ul style="list-style-type: none"> a) <u>An outstanding cheque</u> b) A dishonored cheque c) Un-cleared cheque d) Outdated cheque 	U	60%
87.	Which of the following should be recorded in general journal, if special journals are maintained	<ul style="list-style-type: none"> a) Purchase of merchandise on account b) Purchase of furniture for cash c) Returned merchandise to supplier d) <u>Sale of old furniture on credit</u> 	K/U	70%
88.	Trade discount allowed on sales is recorded in	<ul style="list-style-type: none"> a) Sales journal b) <u>Cash book</u> c) General journal d) None of the above 	K/R	70%
89.	Dishonored cheque is shown on Bank reconciliation statement as	<ul style="list-style-type: none"> a) <u>Deduction from cash balance in cash book column</u> b) Deduction from bank balance c) Addition in bank statement d) None of the above 	U	50%
90.	The report of assets, liabilities and owners' equity is called	<ul style="list-style-type: none"> a) Income statement b) <u>Balance sheet</u> c) Trial balance d) Financial statement 	K/U	60%
91.	An account has two sides called	<ul style="list-style-type: none"> a) <u>Debit and credit</u> b) Revenue and expense c) Asset and liabilities d) Journal and ledger 	K/R	70%
92.	Why do accountant records transactions in journal?	<ul style="list-style-type: none"> a) To ensure that all transaction are posted to ledger b) To ensure that total debit equals total credit c) <u>To have chronological record of all transactions</u> d) To help prepare the financial statement 	U	70%

93.	Posting is the process of transferring information from the	a) <u>Journal to ledger</u> b) Ledger to financial statements c) Ledger to trial balance d) Journal to trial balance	K/U	50%
94.	The purpose of trial balance is to	a) <u>List all the account with their balances</u> b) Ensure that all the transactions have been recorded c) Speed the collections of cash from customers d) None of the above	K/R	60%
95.	Bank overdraft means that	a) Cash deposited in to bank b) Withdraw cash from bank c) <u>Excess amount withdrew from business bank account</u> d) Excess amount withdrew from personal bank account	U	70%
96.	Which of the following is not the step of accounting cycle?	a) Financial statements b) Trial balance c) <u>Special journals</u> d) Adjusted trial balance	K/U	70%
97.	Which of the following accounts is not closed?	a) Supplies expenses b) <u>Cash and account receivable</u> c) Commission income d) Drawing for personal use	K/R	50%
98.	Petty cash fund is classified as	a) <u>Assets</u> b) Capital c) Expense d) Revenue	U	60%
99.	Which one of the following will be recorded in sales journal?	a) Purchases discount and purchases returns b) Cost of goods sold and inventory c) <u>Sold merchandise on account</u> d) Sales returns and sales allowance	K/U	70%
100.	Which of the following is not an account?	a) Sales revenue b) <u>Net sales</u> c) Inventory d) Supplies expense	K/R	70%
101.	The amount by which the trader starts his business is known as	a) Drawing b) <u>Capital</u> c) Stock d) Purchases	U	50%
102.	Double entry means	a) Entry in two sets of books b) entry at two dates	K/U	60%

		c) memorandum entry d) <u>for two aspects of transactions</u>		
103.	What is meant by equity?	a) A balance sheet b) <u>Liabilities + Capital</u> c) A list of the balances in the ledger d) Record of purchases	K/R	70%
104.	Pass book is prepared in the books of	a) Bank b) <u>Customer</u> c) Supplier d) Debtor	U	70%
105.	The Imprest system is used in	a) Special journal b) cash book c) <u>petty cash book</u> d) ledger accounts	K/U	50%
106.	Accounting is often referred to as language of	a) Daily life b) <u>business</u> c) school d) information technology	K/R	60%
107.	Assets which are used more than more than one accounting period are called	a) Current assets b) <u>fixed assets</u> c) fictitious assets d) stock in trade	U	70%
108.	The surplus of assets over liabilities is called	a) Assets b) equities c) income d) <u>capital</u>	K/U	70%
109.	Income statement shows the business	a) <u>Profit or loss</u> b) total capital c) profit or loss distribution d) take home salary	K/R	50%
110.	Stock in trade is a	a) <u>Current asset</u> b) fixed asset c) intangible asset d) capital	U	60%
111.	Gross profit	a) Sales-ending inventory b) Purchase- sales c) <u>Sales-cost of goods sold</u> d) Sales-purchases	K/U	70%
112.	A prepaid expense is an	a) Liability b) Management expense c) <u>Asset</u> d) Income	K/R	70%
113.	Borrowing in excess of the customer's bank account is called	a) Bank under draft b) <u>Bank over draft</u> c) Cash book	U	50%

		d) Mortgage from bank		
114.	The sales on credit is recorded in	a) Purchase journal b) <u>Sales journal</u> c) Cash book d) Petty cash book	K/U	60%
115.	Which of the following is recorded in income statement?	a) Prepaid rent b) Office supplies c) <u>Supplies expense</u> d) Cash	K/R	70%
116.	In bank reconciliation statement un-presented cheque are subtracted from the	a) <u>Bank book</u> b) Cash book c) Both of them d) None of them	U	70%
117.	A contra entry in cash book means	a) <u>Entry in both sides of cash book</u> b) Entry in petty cash book c) Double entry d) None of the above	K/U	50%
118.	The debit title, in periodic inventory system, for buying of goods for resale purpose is called	a) Goods b) Stock c) <u>Purchases</u> d) All of the above	K/R	60%
119.	In bank reconciliation statement, the adjusting entries are made only of	a) <u>Cash book side</u> b) Bank book side c) Adjusted balances side d) Corrected balance side	U	70%
120.	The two sides of balance sheet consist of	a) Assets & revenues b) Liabilities & capital c) Assets & expenses d) <u>Assets & equities</u>	K/U	70%
121.	Pre closing trial balance is prepared right after	a) General journal b) <u>Ledger</u> c) Balance sheet d) Income statement	K/R	50%
122.	Petty cash book is used to record	a) Large amount expenses b) <u>Small amount expenses</u> c) Both of them above d) None of the above	U	60%
123.	In a balance sheet	a) Assets= liabilities b) Assets= expenses c) Assets= incomes d) <u>Assets= equities</u>	K/U	70%
124.	Allowance for depreciation account reduces the value of	a) Current assets b) Fixed assets c) <u>Fixed assets other than land</u> d) Non-current assets	K/R	70%

125.	Recording bad debts in a journal is an	a) Journal entry b) Closing entry c) <u>Adjusting entry</u> d) Reversing entry	U	50%
126.	The trial balance prepared after the adjustment is called	a) Adjustment trial balance b) Un-adjusted trial balance c) <u>Adjusted trial balance</u> d) All of the above	K/U	60%
127.	In a balance sheet net loss is	a) Added in assets b) Subtracted from liabilities c) <u>Subtracted from capital</u> d) Added in liabilities	K/R	70%
128.	If the accounting year is closed on may31, then when accountant will pass reversing entries	a) May 1 b) May 31 c) <u>June 1</u> d) Never	U	70%
129.	If sales revenue exceeds to the cost of goods sold, the result is	a) <u>Gross profit</u> b) Gross loss c) Net profit d) Net loss	K/U	50%
130.	In bank reconciliation statement N.S.F. cheque is	a) Added in bank book b) Added in cash book c) <u>Subtracted in cash book</u> d) Subtracted in bank book	K/R	60%
131.	A financial statement showing revenue and expenses for a financial year is called a/an	a) Balance sheet b) <u>Income statement</u> c) Income distribution summary d) Bank statement	U	70%
132.	The cash book is	a) <u>Ledger</u> b) Subsidiary ledger c) Statement d) Financial statement	K/U	70%
133.	Error of recording capital expenditure as revenue expenditure is called	a) <u>Error of principle</u> b) Error of commission c) Error of omission d) Compensating error	K/R	50%
134.	Cost of goods sold + gross profit – sales =	a) 100 b) <u>0</u> c) 200 d) 300	U	60%
135.	Paid advance to chowkidar Rs.200, which of the following category in petty cash book is used	a) Cartage b) Postage & telegram c) Entertainment d) <u>Sundries</u>	K/U	70%
136.	Bank reconciliation statement is a part of	a) General ledger	K/R	70%

		<ul style="list-style-type: none"> b) Sales journal c) <u>Cash book</u> d) Petty cash book 		
137.	In balance sheet allowance for bad debt is subtracted from	<ul style="list-style-type: none"> a) All current assets b) All fixed assets c) <u>Accounts receivable</u> d) Notes receivable 	U	50%
138.	Cost of goods sold is also called	<ul style="list-style-type: none"> a) Cost of ending stock b) Cost of goods unsold c) <u>Cost of sales</u> d) Profit on goods sold 	K/U	60%
139.	Cost of goods sold	<ul style="list-style-type: none"> a) Merchandise inventory beg. + Purchases + transportation in b) Merchandise inventory beg. + merchandise inventory end. + Transportation in c) <u>Merchandise inventory beg. + Purchases – merchandise inventory end.</u> d) Merchandise inventory beg. + merchandise inventory end. + Purchases 	K/R	70%
140.	If merchandise inventory beg. Is 20,000 purchases is 35,000 and merchandise inventory end. Is 10,000 then cost of goods sold is	<ul style="list-style-type: none"> a) 40,000 b) 35,000 c) <u>45,000</u> d) 55,000 	U	70%
141.	If purchases is 70,000 and merchandise inventory end. Is 10,000 and cost of goods sold is 80,000 then what is the merchandise inventory beg.	<ul style="list-style-type: none"> a) 30,000 b) <u>20,000</u> c) 40,000 d) 50,000 	K/U	50%
142.	If merchandise inventory beg. Is 50,000, merchandise inventory end Is 60,000 and cost of goods sold is 40,000, then what is the amount of purchases?	<ul style="list-style-type: none"> a) 70,000 b) 40,000 c) 30,000 d) <u>50,000</u> 	K/R	60%
143.	An exchange of value is called	<ul style="list-style-type: none"> a) Entry b) Account c) <u>Transaction</u> d) None of the above 	U	70%
144.	A business activity that involves the buying and selling of finished goods is called	<ul style="list-style-type: none"> a) Manufacturing b) Services c) <u>Trading</u> d) All of the above 	K/U	70%
145.	Liabilities = assets	<ul style="list-style-type: none"> a) Profit b) Loss c) <u>Owner's equity</u> 	K/R	50%

		d) Expenses		
146.	If liabilities = 50,000 and assets = 150,000, then owner's equity is	a) 10, 00,000 b) <u>100,000</u> c) 90,000 d) 900,000	U	60%
147.	A journal used to record the changes in assets, expenses, capital, revenues and expenses is called	a) General ledger b) Ordinary journal c) <u>General journal</u> d) Special journal	K/U	70%
148.	An statement which shows the financial position of a business on a particular date is called	a) Income statement b) Cash flow statement c) <u>Balance sheet</u> d) Tally sheet	K/R	70%
149.	Land (natural Resources) is subjected to be charged by	a) Depreciation b) <u>Depletion</u> c) Amortization d) All of the above	U	50%
150.	A system in which responsibility is assigned for the maintenance of the petty cash fund to an employee for making petty payments and replenishing the fund is called	a) Double entry system b) Impressive system c) <u>Imprest system</u> d) Cash book system	K/U	60%



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