

# Professional Online Academy Vu Topper RM



## MGT-101 Financial Accounting - I Update MCQ'S Mid Term



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**Question No:1**

**(Marks:1)**

**Vu-Topper RM**

Which group of accounts is CREDITED, when it is decreased?

A. Income and Liability

**B. Assets & Expenses**

C. Assets and Income

D. Asset & Liability

**Question No:2**

**(Marks:1)**

**Vu-Topper RM**

Which of the following should be affected in the business record on purchase of furniture by the owner for his personal use out of his personal bank account?

A. None of the given options

B. Cash account

**C. Bank account**

D. Furniture account

**Question No:3**

**(Marks:1)**

**Vu-Topper RM**

Identify the two accounting heads that are affected from the transaction of Rent received in cash.

A. Rent expense and bank account

**B. Rent income and cash account**

C. Rent expense and cash account

D. Rent income and bank account

**Question No:4**

**(Marks:1)**

**Vu-Topper RM**

Post reference column of a journal entry is:

A. Event occurring after transaction takes place

B. None of the given options

C. Name of person recording the journal entry

**D. Page number of relevant ledger account**

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**Question No:5**

**(Marks:1)**

**Vu-Topper RM**

When total liabilities are subtracted from total assets the remaining amount is known as:

- A. Net income or net loss
- B. Total revenue
- C. Equity or Shareholders' equity**
- D. Total expenses

**Question No:6**

**(Marks:1)**

**Vu-Topper RM**

Identify the two accounting heads that are affected from the transaction of Rent received through cheque.

- A. Rent income and bank account**
- B. Rent expense and cash account
- C. Rent expense and bank account
- D. Rent income and cash account

**Question No:7**

**(Marks:1)**

**Vu-Topper RM**

When a business purchases goods from ABC & Co. and promises to pay the amount at certain future time period, ABC & Co. is recorded as:

- A. Profit of the business
- B. Equity of the business
- C. Assets of the business
- D. Liability of the business**

**Question No:8**

**(Marks:1)**

**Vu-Topper RM**

Increase in liability can cause increase in:

- A. Profit
- B. Cash
- C. Equity**
- D. Receivables

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**Question No:9**

**(Marks:1)**

**Vu-Topper RM**

Goods sold on credit increase:

- A. Creditors
- B. Liabilities
- C. Revenues**
- D. Expenses

**Question No:10**

**(Marks:1)**

**Vu-Topper RM**

Which of the following account is/are 'Credit' if "Sold goods on credit to ABC Corporation for Rs.8,000 and for cash Rs.4,000"?

- A. Debtors account
- B. Sales account**
- C. Both debtors and cash account
- D. Cash account

**Question No:11**

**(Marks:1)**

**Vu-Topper RM**

Accounting condition means recording \_\_\_\_\_.

- A. Adjustments**
- B. Event
- C. Story
- D. Interview

**Question No:12**

**(Marks:1)**

**Vu-Topper RM**

Owner's Equity =?

- A. Capital + losses**
- B. Capital – losses
- C. Capital + drawings
- D. Capital + expenses

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**Question No:13**

**(Marks:1)**

**Vu-Topper RM**

Expenses are recorded when paid either incurred or not according to:

- A. Cash accounting**
- B. Management accounting
- C. Accrual accounting
- D. Cost accounting

**Question No:14**

**(Marks:1)**

**Vu-Topper RM**

Owner's Equity =?

- A. Capital + drawings
- B. Capital + expenses
- C. Capital + profits**
- D. Capital – revenues

**Question No:15**

**(Marks:1)**

**Vu-Topper RM**

After specific intervals, sum of sales journal is posted to the debit side of

- \_\_\_\_\_.
- A. Total debtors account
- B. None of the given options
- C. Total creditors account
- D. Sales account**

**Question No:16**

**(Marks:1)**

**Vu-Topper RM**

Abbreviation Cr. is used in accounting for:

- A. Creditor
- B. Corporation
- C. Credit**
- D. Competitor

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**Question No:17**

**(Marks:1)**

**Vu-Topper RM**

Mr. Ahmad bought machinery for Rs. 900,000 from Mr. Bashir and payment is delayed on specific date in future then the transaction is called:

- A. Barter
- B. Cash
- C. Paper
- D. Credit**

**Question No:18**

**(Marks:1)**

**Vu-Topper RM**

Commission earned account will fall under which of the following classification of accounts?

- A. Assets
- B. Liabilities
- C. Expenses
- D. Revenues**

**Question No:19**

**(Marks:1)**

**Vu-Topper RM**

Goods sold on cash increase:

- A. Creditors
- B. Liabilities
- C. Assets**
- D. Expenses

**Question No:20**

**(Marks:1)**

**Vu-Topper RM**

Which of the following accounts will be DEBITED, when we acquire building of Rs. 500,000 on cash?

- A. Capital Account
- B. Cash Account
- C. Bank Account

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## D. Building Account

Question No:21

(Marks:1)

Vu-Topper RM

Which of the following is responsible for maintaining the journal?

A. Accounts manager

B. Cashier

**C. Bookkeeper**

D. Finance manager

Question No:22

(Marks:1)

Vu-Topper RM

Goods purchased on account increase:

A. Debtors

B. Revenues

**C. Liabilities**

D. Cash

Question No:23

(Marks:1)

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\_\_\_\_\_ is the art of recording, classifying and summarizing the transactions and events of a business and interpreting the results thereof.

A. Management

B. Auditing

C. Book-keeping

**D. Accounting**

Question No:24

(Marks:1)

Vu-Topper RM

A business event which can be measured in terms of money and must be recorded in books of accounts is called:

A. Information

**B. Transaction**

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- C. Record
- D. Data

**Question No:25** (Marks:1) **Vu-Topper RM**  
CCA & Co. made its monthly office rent payment on cash. Which of the following accounts would be affected from this transaction?

- I) Assets II) Liabilities
- III) Expenses IV) Revenues
- A. I and II
- B. I and IV
- C. I and III**
- D. II and III

**Question No:26** (Marks:1) **Vu-Topper RM**  
Which of the following is WRONG?

- A. Nature of Expenses is Debit
- B. Nature of Owners' Equity is Credit
- C. Nature of Assets is Credit**
- D. Nature of Incomes is Credit

**Question No:27** (Marks:1) **Vu-Topper RM**  
Debit note is issued by the buyer when \_\_\_\_\_ are returned.

- A. Credit sales
- B. Credit purchases**
- C. Cash sales

**Question No:28** (Marks:1) **Vu-Topper RM**  
Which of the following are recorded in sales journal?

- A. Credit sales transactions**

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- B. Cash sales transactions
- C. Credit sales return transactions
- D. Both credit and cash sales transactions

**Question No:29** (Marks:1) **Vu-Topper RM**

Which of the following can be used in the calculation of cost of goods sold?

- A. Opening stock
- B. All of the given items**
- C. Purchases
- D. Closing stock

**Question No:30** (Marks:1) **Vu-Topper RM**

Bank Balance will fall under which of the following classification of accounts?

- A. Expenses
- B. Revenues
- C. Assets**
- D. Liabilities

**Question No:31** (Marks:1) **Vu-Topper RM**

Income is recorded when received either earned or not according to:

- A. Management accounting
- B. Cost accounting
- C. Cash accounting**
- D. Accrual accounting

**Question No:32** (Marks:1) **Vu-Topper RM**

Operating profit of a business can be calculated as:

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- A. Sales – cost of goods sold
- B. Net profit – operating expenses
- C. Gross profit – operating expenses**

**Question No:33** (Marks:1)

**Vu-Topper RM**

Contra account for fixed assets is:

- A. Sales return
- B. Purchases return
- C. Provision for depreciation account**
- D. Provision for doubtful debts

**Question No:34** (Marks:1)

**Vu-Topper RM**

Trade discount is recorded in the books of:

- A. Buyer
- B. Both seller and buyer
- C. Neither seller nor buyer**
- D. Seller

**Question No:35** (Marks:1)

**Vu-Topper RM**

Which of the following accounts will be affected when we acquire building and paid Rupees Rs. 500,000?

- A. Capital account
- B. Cash account
- C. Expense account
- D. Bank account**

**Question No:36** (Marks:1)

**Vu-Topper RM**

Which of the following is considered as a language of business to record the financial information in the books of accounts?

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- A. Marketing
- B. Finance
- C. Accounting**
- D. Management

**Question No:37** (Marks:1) **Vu-Topper RM**

A ledger account with full details is prepared in which of the following two styles?

- A. Direct account style and indirect account style
- B. T account style and indirect account style
- C. Report style and indirect account style
- D. T account style and running balance style**

**Question No:38** (Marks:1) **Vu-Topper RM**

The process of picking up an amount from journal and placing into the debit or credit side of relevant ledger account in ledger is known as:

- A. Journalizing
- B. Balancing
- C. Posting**
- D. Crediting

**Question No:39** (Marks:1) **Vu-Topper RM**

The commission earned account falls under which of the following classification of accounts?

- A. Income**
- B. Expenses
- C. Assets
- D. Liability

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**Question No:40**

**(Marks:1)**

**Vu-Topper RM**

According to \_\_\_\_\_, business record must be kept independent from the personal records of the owner.

- A. Dual entry concept
- B. Single entry concept
- C. Separate entity concept**
- D. Money measurement concept

**Question No:41**

**(Marks:1)**

**Vu-Topper RM**

Which of the following is a part of Current Assets?

- A. Land
- B. None of the given options**
- C. Machinery
- D. Furniture

**Question No:42**

**(Marks:1)**

**Vu-Topper RM**

Which of the following is a source for preparation of a Trial Balance?

- A. Journal entry
- B. Ledger**
- C. Invoice
- D. Journal

**Question No:43**

**(Marks:1)**

**Vu-Topper RM**

Goods purchased on cash increase:

- A. Expenses**
- B. Cash
- C. Creditors
- D. Liabilities

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**Question No:44**

**(Marks:1)**

**Vu-Topper RM**

Journal voucher is used to record transaction in \_\_\_\_\_.

- A. General ledger
- B. Income statement
- C. General Journal**
- D. Trial balance

**Question No:45**

**(Marks:1)**

**Vu-Topper RM**

Which group of accounts is DEBITED, when it is decreased?

- A. Assets & Expenses**
- B. Asset & Liability
- C. Income and Liability
- D. Assets and Income

**Question No:46**

**(Marks:1)**

**Vu-Topper RM**

Which of the following are recorded in purchase journal?

- A. Both credit and cash purchase transactions
- B. Cash purchases transactions
- C. Credit purchase return transactions
- D. Credit purchases transactions**

**Question No:47**

**(Marks:1)**

**Vu-Topper RM**

If resources in business are supplied by the owner and outsiders, then accounting equation looks like as:

- A. Assets = Liabilities + Capital**
- B. Assets = Liabilities - Capital
- C. Assets = Liabilities
- D. Assets = Capital

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**Question No:48**

**(Marks:1)**

**Vu-Topper RM**

Contra account for sales is:

- A. Cash sales
- B. Credit sales
- C. Total sales
- D. Sales return**

**Question No:49**

**(Marks:1)**

**Vu-Topper RM**

If the receipt of transaction is made on sales of goods then the transaction is called:

- A. Paper transaction
- B. Cash transaction**
- C. Credit transaction
- D. general ledger.

**Question No:50**

**(Marks:1)**

**Vu-Topper RM**

Which of the following is the books of original entry in accounting cycle?

- A. General ledger
- B. General journal**
- C. Income statement
- D. Trial balance

**Question No:51**

**(Marks:1)**

**Vu-Topper RM**

After specific intervals, sum of purchases return journal is posted to the debit side of \_\_\_\_\_.

- A. Total debtors account
- B. Purchases return account**
- C. Total creditors account
- D. None of the given options

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**Question No:52**

**(Marks:1)**

**Vu-Topper RM**

Which of the following is considered as a process of maintaining the journal?

- A. Financial reporting
- B. Costing
- C. Budgeting
- D. Bookkeeping**

**Question No:53**

**(Marks:1)**

**Vu-Topper RM**

Which of the following should be applied in business record keeping for dealing purchase of assets by the owner for his personal use out of his personal bank account?

- A. Money measurement concept
- B. Separate entity concept**
- C. Historical cost
- D. Going concern

**Question No:54**

**(Marks:1)**

**Vu-Topper RM**

The term "Debit" is derived from \_\_\_\_\_ language.

- A. French
- B. English
- C. Chinese
- D. Latin**

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