

Accounts MCQ 4**QUESTIONS**

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 Wages paid for installation of machinery should be debited to_____Account

- ☐ Machinery
- ☐ Wages
- ☐ Trading
- ☐ Profit & Loss

Correct: +1

2 To find out net profit or net loss of the business_____Account is prepared

- ☐ Trading
- ☐ Profit & Loss
- ☐ Capital
- ☐ Current

Correct: +1

3 Credit balance of Profit & Loss account means_____ of the business

- ☐ Gross Profit
- ☐ Gross Loss
- ☐ Net Profit
- ☐ Net Loss

Correct: +1

4 The proportion in which old partners make a sacrifice is called_____ratio

- ☐ capital
- ☐ gaining
- ☐ sacrifice
- ☐ new

Correct: +1

5 When goodwill is written off partners capital accounts are_____

- ☐ Credited
- ☐ debited
- ☐ increase
- ☐ None of these

Correct: +1

6 The profit or loss on revaluation on retirement of partner is shared by _____

- ☐ All partners
- ☐ remaining partner
- ☐ only retiring partner
- ☐ None of these

Correct: +1

7 Increase in the value of asset should be_____to profit & loss adjustment account

- ☐ Debited
- ☐ credited
- ☐ added
- ☐ none of these

Correct: +1

8 X, Y & Z share profit as $\frac{1}{2}$, $\frac{3}{10}$, $\frac{1}{5}$ and Z has expire, the new profit sharing ratio of X & Y will be _____ respectively

- ☐ 5:8
- ☐ 5:3
- ☐ 2:1
- ☐ 5:2

Correct: +1

9 Excess of assets over liabilities is termed as _____.

- ☐ Endowment Fund
- ☐ Capital Fund
- ☐ Special Fund
- ☐ None of these

Correct: +1

10 Subscription received in advance during the accounting year is _____

- ☐ an income
- ☐ an expense
- ☐ an asset
- ☐ a liability

Correct: +1

11 The interest on capital is an income of the partnership firm

- ☐ True
- ☐ False

Correct: +1

12 Profit & Loss is a nominal account

- ☐ True
- ☐ False

Correct: +1

13 Trail balance is the base of Final account.

- ☐ True
- ☐ False

Correct: +1

14 The retiring partner must be paid interest on his capital up to the date of his retirement.

- ☐ True
- ☐ False

Correct: +1

15 The capital account of retiring partner always shows a debit balance.

- ☐ True
- ☐ False

Correct: +1

16 A debit balance of realization account indicates profit on realization

- ☐ True
- ☐ False

Correct: +1

17 There is no difference between receipt & payment accounts & income & expenditure accounts

☐ True

☐ False

Correct: +1

18 Statement of profit shows financial position of business

☐ True

☐ False

Correct: +1

19 The inland bill is drawn & payable in the same country

☐ True

☐ False

Correct: +1

20 Interest on capital of partner is debited to Profit and Loss A/c

☐ True

☐ False

Correct: +1

TEST

Accounts MCQ 4

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Machinery
- 2 Profit & Loss
- 3 Net Profit
- 4 sacrifice
- 5 debited
- 6 All partners
- 7 credited
- 8 5:3
- 9 Capital Fund
- 10 a liability
- 11 False
- 12 True
- 13 True
- 14 False
- 15 False
- 16 False
- 17 False
- 18 False
- 19 True
- 20 True