

# ACCOUNTANT/CASHIER/FINANCIAL ADMINISTRATION

## MULTIPLE CHOICE

PREPARED BY ERNEST(0781719454/0723063139) whatsapp me if you want to prepare a mifotra exam well.

## **Accountant Job Description Template**

We are seeking trustworthy candidates who work efficiently without sacrificing accuracy. Accountants can expect to work with large amounts of numerical data, handle multiple tasks with deadlines, and provide transparent and complete reports to management. You should have a firm grasp of accounting and financial practices and regulations and possess strong computer and verbal and written communication skills.

To ensure success, Accountants should be prompt, honest detail-oriented, professional, and analytical. Top candidates will have excellent presentation skills with the ability to successfully communicate complex quantitative data to decision-makers.

### **Accountant Responsibilities:**

- Complying with all company, local, state, and federal accounting and financial regulations.
- Compiling, analyzing, and reporting financial data.

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- Creating periodic reports, such as balance sheets, profit & loss statements, etc.
- Presenting data to managers, investors, and other entities.
- Maintaining accurate financial records.
- Performing audits and resolving discrepancies.
- Computing taxes.
- Keeping informed about current legislation relating to finance and accounting.
- Assisting management in the decision-making process by preparing budgets and financial forecasts.

## **Accountant Requirements:**

- Bachelor's degree in Accounting or related field.
- More education or experience may be preferred.
- Special licenses or certification may be required.
- Strong analytical, communication, and computer skills.
- Understanding of mathematics and accounting and financial processes.
- Ethical behavior.
- Attention to detail.
- Sure! Here are 50 multiple-choice questions and answers for a school accountant:
- 
- 1. What is the primary role of a school accountant?
  - a) Managing student records
  - b) Handling financial transactions
  - c) Teaching accounting principles

- d) Maintaining school facilities
- 
- Answer: b) Handling financial transactions
- 
- 2. Which financial statement shows the overall financial position of a school?
- a) Income statement
- b) Balance sheet
- c) Cash flow statement
- d) Statement of retained earnings
- 
- Answer: b) Balance sheet
- 
- 3. What is the purpose of double-entry bookkeeping?
- a) To ensure accuracy in financial records
- b) To reduce the workload of accountants
- c) To minimize tax liabilities
- d) To increase profit margins
- 
- Answer: a) To ensure accuracy in financial records
- 
- 4. Which accounting principle states that expenses should be recognized when incurred, regardless of when payment is made?
- a) Matching principle
- b) Revenue recognition principle
- c) Conservatism principle
- d) Accrual principle
- 
- Answer: d) Accrual principle
- 
- 5. What is the purpose of an audit in accounting?

- a) To detect and prevent fraud
- b) To prepare financial statements
- c) To calculate tax liabilities
- d) To forecast future financial trends

• Answer: a) To detect and prevent fraud

• 6. Which of the following is an example of a current asset for a school?

- a) Land
- b) Building
- c) Equipment
- d) Cash

• Answer: d) Cash

• 7. What is the formula for calculating the net income of a school?

- a) Revenue - Expenses
- b) Assets - Liabilities
- c) Equity + Liabilities
- d) Cash Inflows - Cash Outflows

• Answer: a) Revenue - Expenses

• 8. Which accounting software is commonly used in schools?

- a) QuickBooks
- b) Excel
- c) SAP
- d) Oracle

- Answer: a) QuickBooks
- 
- 9. What is the purpose of a trial balance in accounting?
  - a) To identify errors in financial records
  - b) To calculate the net income
  - c) To prepare financial statements
  - d) To forecast future cash flows
- 
- Answer: a) To identify errors in financial records
- 
- 10. Which financial ratio measures a school's ability to meet its short-term obligations?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Gross profit margin
- 
- Answer: c) Current ratio
- 
- 11. What is the purpose of depreciation in accounting?
  - a) To reduce tax liabilities
  - b) To allocate the cost of an asset over its useful life
  - c) To increase net income
  - d) To decrease the value of an asset
- 
- Answer: b) To allocate the cost of an asset over its useful life
-

- 12. Which accounting principle requires that expenses should be recorded in the same period as the revenue they help generate?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Conservatism principle
  - d) Accrual principle
- 
- Answer: a) Matching principle
- 
- 13. What is the purpose of a cash flow statement?
  - a) To show the overall financial position of a school
  - b) To report changes in equity over a period of time
  - c) To track the inflows and outflows of cash
  - d) To calculate the net income of a school
- 
- Answer: c) To track the inflows and outflows of cash
- 
- 14. What is the purpose of a general ledger in accounting?
  - a) To record all financial transactions of a school
  - b) To calculate payroll taxes
  - c) To prepare financial statements
  - d) To forecast future cash flows
- 
- Answer: a) To record all financial transactions of a school
- 
- 15. Which of the following is an example of a long-term liability for a school?

- a) Accounts payable
- b) Salaries payable
- c) Mortgage payable
- d) Utilities payable
- 
- Answer: c) Mortgage payable
- 
- 16. What is the purpose of the Sarbanes-Oxley Act (SOX)?
- a) To regulate financial reporting of public companies
- b) To prevent money laundering
- c) To reduce tax liabilities
- d) To increase profit margins
- 
- Answer: a) To regulate financial reporting of public companies
- 
- 17. What is the purpose of a budget in accounting?
- a) To allocate resources and plan for future expenses
- b) To calculate the net income of a school
- c) To track the inflows and outflows of cash
- d) To prepare financial statements
- 
- Answer: a) To allocate resources and plan for future expenses
- 
- 18. Which of the following is an example of an intangible asset for a school?
- a) Land
- b) Building

- c) Equipment
- d) Intellectual property
- 
- Answer: d) Intellectual property
- 
- 19. What is the purpose of a cost of goods sold (COGS) statement?
  - a) To calculate the net income of a school
  - b) To track the inflows and outflows of cash
  - c) To allocate the cost of goods sold to revenue
  - d) To prepare financial statements
- 
- Answer: c) To allocate the cost of goods sold to revenue
- 
- 20. Which financial ratio measures a school's profitability?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Gross profit margin
- 
- Answer: a) Return on investment (ROI)
- 
- 21. What is the purpose of an accounts payable ledger?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To keep track of amounts owed to suppliers
-



- Answer: d) To keep track of amounts owed to suppliers
- 
- 22. Which accounting principle states that assets should be recorded at their original cost?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Conservatism principle
  - d) Cost principle
- 
- Answer: d) Cost principle
- 
- 23. What is the purpose of a cash basis accounting method?
  - a) To recognize revenue when earned and expenses when incurred
  - b) To record financial transactions when cash is received or paid
  - c) To allocate the cost of an asset over its useful life
  - d) To calculate the net income of a school
- 
- Answer: b) To record financial transactions when cash is received or paid
- 
- 24. Which financial statement shows the revenue and expenses of a school over a specific period?
  - a) Income statement
  - b) Balance sheet
  - c) Cash flow statement
  - d) Statement of retained earnings
-

- Answer: a) Income statement
- 
- 25. What is the purpose of a payroll ledger in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To prepare financial statements
- 
- Answer: c) To calculate payroll taxes
- 
- 26. Which accounting principle requires that financial statements should be prepared using the same accounting methods and assumptions from period to period?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Consistency principle
  - d) Accrual principle
- 
- Answer: c) Consistency principle
- 
- 27. What is the purpose of a statement of retained earnings?
  - a) To show the overall financial position of a school
  - b) To report changes in equity over a period of time
  - c) To track the inflows and outflows of cash
  - d) To calculate the net income of a school
-

- Answer: b) To report changes in equity over a period of time
- 
- 28. Which financial ratio measures a school's ability to generate profit from its assets?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Gross profit margin
- 
- Answer: a) Return on investment (ROI)
- 
- 29. What is the purpose of a chart of accounts in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To prepare financial statements
  - d) To categorize and organize financial transactions
- 
- Answer: d) To categorize and organize financial transactions
- 
- 30. Which of the following is an example of an operating expense for a school?
  - a) Rent expense
  - b) Interest expense
  - c) Income tax expense
  - d) Depreciation expense
- 
- Answer: a) Rent expense
-

- 31. What is the purpose of a bank reconciliation in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To identify discrepancies between a school's records and bank statements
  - d) To calculate the net income of a school
  -
- Answer: c) To identify discrepancies between a school's records and bank statements
- 
- 32. Which financial ratio measures a school's ability to pay off its long-term debt?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Gross profit margin
  -
- Answer: b) Debt-to-equity ratio
- 
- 33. What is the purpose of a cost of sales ledger in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To allocate the cost of goods sold to revenue
  - d) To calculate payroll taxes
  -
- Answer: c) To allocate the cost of goods sold to revenue
-

- 34. Which accounting principle requires that financial statements should not overstate the financial position of a school?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Conservatism principle
  - d) Accrual principle
  - 
  - Answer: c) Conservatism principle
  -
- 35. What is the purpose of a fixed asset register in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To keep track of a school's fixed assets
  - 
  - Answer: d) To keep track of a school's fixed assets
  -
- 36. Which financial statement shows the changes in a school's equity over a specific period?
  - a) Income statement
  - b) Balance sheet
  - c) Cash flow statement
  - d) Statement of retained earnings
  - 
  - Answer: d) Statement of retained earnings
  -
- 37. What is the purpose of a purchase ledger in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash

- c) To calculate payroll taxes
- d) To keep track of amounts owed to suppliers
- 
- Answer: d) To keep track of amounts owed to suppliers
- 
- 38. Which accounting principle requires that revenue should be recognized when earned, regardless of when payment is received?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Conservatism principle
  - d) Accrual principle
- 
- Answer: b) Revenue recognition principle
- 
- 39. What is the purpose of a petty cash book in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To keep track of small cash expenses
- 
- Answer: d) To keep track of small cash expenses
- 
- 40. Which financial ratio measures a school's liquidity?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Gross profit margin
-

- Answer: c) Current ratio
- 
- 41. What is the purpose of a sales ledger in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To keep track of customer sales and payments
- 
- Answer: d) To keep track of customer sales and payments
- 
- 42. Which accounting principle requires that financial statements should be prepared using the same unit of measure?
  - a) Matching principle
  - b) Revenue recognition principle
  - c) Consistency principle
  - d) Accrual principle
- 
- Answer: c) Consistency principle
- 
- 43. What is the purpose of a general journal in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash
  - c) To calculate payroll taxes
  - d) To record non-routine or adjusting entries
- 
- Answer: d) To record non-routine or adjusting entries
-

- 44. Which of the following is an example of a non-current liability for a school?
  - a) Accounts payable
  - b) Salaries payable
  - c) Mortgage payable
  - d) Utilities payable
- 
- Answer: c) Mortgage payable
- 
- 45. What is the purpose of a cost of sales statement?
  - a) To calculate the net income of a school
  - b) To track the inflows and outflows of cash
  - c) To allocate the cost of goods sold to revenue
  - d) To prepare financial statements
- 
- Answer: c) To allocate the cost of goods sold to revenue
- 
- 46. Which financial ratio measures a school's ability to cover its interest expenses with its operating income?
  - a) Return on investment (ROI)
  - b) Debt-to-equity ratio
  - c) Current ratio
  - d) Interest coverage ratio
- 
- Answer: d) Interest coverage ratio
- 
- 47. What is the purpose of a purchase order in accounting?
  - a) To record all financial transactions of a school
  - b) To track the inflows and outflows of cash



- c) To calculate payroll taxes
- d) To authorize the purchase of goods or services
- 
- Answer: d) To authorize the purchase of goods or services
- 
- 48. Which accounting principle requires that financial statements should be prepared in a timely manner?
- a) Matching principle
- b) Revenue recognition principle
- c) Consistency principle
- d) Timeliness principle
- 
- Answer: d) Timeliness principle
- 
- 49. What is the purpose of a cash basis accounting method?
- a) To recognize revenue when earned and expenses when incurred
- b) To record financial transactions when cash is received or paid
- c) To allocate the cost of an asset over its useful life
- d) To calculate the net income of a school
- 
- Answer: b) To record financial transactions when cash is received or paid
- 
- 50. Which financial statement shows the changes in a school's cash position over a specific period?
- a) Income statement
- b) Balance sheet

- c) Cash flow statement
- d) Statement of retained earnings
- 
- Answer: c) Cash flow statement
- 
- Sure! Here are 50 multiple-choice questions and answers for a school secretary:
- 
- 1. Which of the following is not a duty of a school secretary?
  - a) Answering phone calls
  - b) Managing student records
  - c) Assisting with school events
  - d) Teaching classes
- 
- Answer: d) Teaching classes
- 
- 2. What is the primary role of a school secretary?
  - a) Managing finances
  - b) Supervising teachers
  - c) Assisting the principal
  - d) Coaching sports teams
- 
- Answer: c) Assisting the principal
- 
- 3. Which software is commonly used by school secretaries to manage student data?
  - a) Microsoft Word
  - b) Adobe Photoshop
  - c) Excel
  - d) PowerPoint
-

- Answer: c) Excel
- 
- 4. What is the purpose of a school secretary's daily schedule?
  - a) To plan school events
  - b) To manage staff meetings
  - c) To keep track of tasks and appointments
  - d) To coordinate parent-teacher conferences
- 
- Answer: c) To keep track of tasks and appointments
- 
- 5. Which of the following is an essential quality for a school secretary?
  - a) Patience
  - b) Athleticism
  - c) Artistic skills
  - d) Musical talent
- 
- Answer: a) Patience
- 
- 6. How should a school secretary handle confidential student information?
  - a) Share it with colleagues
  - b) Post it on social media
  - c) Keep it strictly confidential
  - d) Sell it to third parties
- 
- Answer: c) Keep it strictly confidential
- 
- 7. What is the purpose of a school secretary's bulletin board?
  - a) Displaying student artwork

- b) Sharing important announcements
- c) Decorating the office
- d) Storing office supplies
- 
- Answer: b) Sharing important announcements
- 
- 8. How should a school secretary handle difficult phone calls?
- a) Hang up on the caller
- b) Put the caller on hold indefinitely
- c) Remain calm and professional
- d) Yell at the caller
- 
- Answer: c) Remain calm and professional
- 
- 9. Which of the following tasks is typically not part of a school secretary's role?
- a) Ordering office supplies
- b) Managing payroll
- c) Tutoring students
- d) Scheduling appointments
- 
- Answer: c) Tutoring students
- 
- 10. How can a school secretary contribute to a positive school environment?
- a) Greeting visitors with a smile
- b) Ignoring students' needs
- c) Being unorganized
- d) Avoiding communication with staff
- 
- Answer: a) Greeting visitors with a smile

- 
- 11. What is the purpose of a school secretary's attendance records?
  - a) Tracking student participation in extracurricular activities
  - b) Monitoring student academic progress
  - c) Ensuring accurate records for legal and safety purposes
  - d) Managing teacher schedules
- 
- Answer: c) Ensuring accurate records for legal and safety purposes
- 
- 12. Which of the following is an important skill for a school secretary?
  - a) Singing
  - b) Dancing
  - c) Typing
  - d) Painting
- 
- Answer: c) Typing
- 
- 13. What is the role of a school secretary during emergency situations?
  - a) Evacuating the building
  - b) Administering first aid
  - c) Calling emergency services
  - d) All of the above
- 
- Answer: d) All of the above
-

- 14. How should a school secretary handle sensitive parent-teacher interactions?
  - a) Avoiding the conversation
  - b) Listening attentively and offering support
  - c) Arguing with parents
  - d) Ignoring parents' concerns
- 
- Answer: b) Listening attentively and offering support
- 
- 15. Which of the following is an important quality for a school secretary to possess?
  - a) Creativity
  - b) Punctuality
  - c) Athleticism
  - d) Musical talent
- 
- Answer: b) Punctuality
- 
- 16. How should a school secretary handle a lost and found item?
  - a) Keep it for personal use
  - b) Throw it away
  - c) Store it in a designated area
  - d) Return it to the owner immediately
- 
- Answer: c) Store it in a designated area
- 
- 17. What is the purpose of a school secretary's filing system?
  - a) To organize student records
  - b) To display student artwork
  - c) To store office supplies

- d) To keep track of school events
- 
- Answer: a) To organize student records
- 
- 18. How should a school secretary handle a conflict between staff members?
- a) Take sides and escalate the conflict
- b) Ignore the conflict
- c) Mediate and find a resolution
- d) Encourage more conflict
- 
- Answer: c) Mediate and find a resolution
- 
- 19. Which of the following tasks is typically not part of a school secretary's role?
- a) Managing the school website
- b) Assisting with student enrollment
- c) Planning field trips
- d) Organizing staff training sessions
- 
- Answer: c) Planning field trips
- 
- 20. What is the purpose of a school secretary's visitor log?
- a) To track student attendance
- b) To monitor staff arrivals and departures
- c) To ensure campus security
- d) To keep track of office supplies
- 
- Answer: c) To ensure campus security
-

- 21. How should a school secretary handle a parent who is upset about a disciplinary action?
  - a) Ignore the parent's concerns
  - b) Explain the school's policies and procedures
  - c) Argue with the parent
  - d) Hang up the phone
- 
- Answer: b) Explain the school's policies and procedures
- 
- 22. Which of the following is an important skill for a school secretary to possess?
  - a) Juggling
  - b) Singing
  - c) Problem-solving
  - d) Dancing
- 
- Answer: c) Problem-solving
- 
- 23. What is the purpose of a school secretary's master calendar?
  - a) To schedule staff meetings
  - b) To keep track of important dates and events
  - c) To plan school fundraisers
  - d) To organize student clubs
- 
- Answer: b) To keep track of important dates and events
- 
- 24. How should a school secretary handle a request for student records?
  - a) Provide the records immediately



- b) Ignore the request
- c) Verify the requester's identity and follow proper procedures
- d) Ask the principal for permission
- 
- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 25. Which of the following is an important quality for a school secretary to possess?
  - a) Artistic skills
  - b) Mathematical genius
  - c) Strong leadership
  - d) Excellent communication
- 
- Answer: d) Excellent communication
- 
- 26. How should a school secretary handle a parent who arrives at the office without an appointment?
  - a) Turn the parent away
  - b) Accommodate the parent and find a suitable time for a meeting
  - c) Yell at the parent
  - d) Call security
- 
- Answer: b) Accommodate the parent and find a suitable time for a meeting
- 
- 27. What is the purpose of a school secretary's mail distribution?
  - a) To deliver mail to the wrong recipients
  - b) To throw away mail

- c) To ensure mail reaches the correct recipients
- d) To keep all mail for personal use
- 
- Answer: c) To ensure mail reaches the correct recipients
- 
- 28. How should a school secretary handle a student who is feeling unwell?
  - a) Ignore the student's concerns
  - b) Send the student home immediately
  - c) Provide first aid and contact the appropriate personnel
  - d) Punish the student
- 
- Answer: c) Provide first aid and contact the appropriate personnel
- 
- 29. Which of the following is an important skill for a school secretary to possess?
  - a) Singing
  - b) Dancing
  - c) Multitasking
  - d) Painting
- 
- Answer: c) Multitasking
- 
- 30. What is the role of a school secretary during parent-teacher conferences?
  - a) Taking notes and documenting discussions
  - b) Teaching classes
  - c) Supervising students
  - d) Organizing games and activities

- 
- Answer: a) Taking notes and documenting discussions
- 
- 31. How should a school secretary handle a request for a substitute teacher?
  - a) Ignore the request
  - b) Provide the substitute immediately
  - c) Follow the school's procedures for requesting a substitute
  - d) Teach the class themselves
- 
- Answer: c) Follow the school's procedures for requesting a substitute
- 
- 32. What is the purpose of a school secretary's inventory management?
  - a) To keep track of office supplies
  - b) To display student artwork
  - c) To organize student records
  - d) To plan school events
- 
- Answer: a) To keep track of office supplies
- 
- 33. How should a school secretary handle a student who arrives late to school?
  - a) Punish the student
  - b) Ignore the student
  - c) Document the student's tardiness and follow the school's procedures
  - d) Send the student home
-

- Answer: c) Document the student's tardiness and follow the school's procedures
- 
- 34. Which of the following is an important quality for a school secretary to possess?
  - a) Athleticism
  - b) Musical talent
  - c) Attention to detail
  - d) Artistic skills
- 
- Answer: c) Attention to detail
- 
- 35. What is the purpose of a school secretary's budget management?
  - a) To overspend on school supplies
  - b) To create a surplus of funds
  - c) To ensure financial stability and responsible spending
  - d) To donate funds to charity
- 
- Answer: c) To ensure financial stability and responsible spending
- 
- 36. How should a school secretary handle a request for a student's class schedule?
  - a) Provide the schedule immediately
  - b) Ignore the request
  - c) Verify the requester's identity and follow proper procedures
  - d) Ask the principal for permission
-

- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 37. What is the purpose of a school secretary's staff communication?
  - a) To gossip about colleagues
  - b) To avoid communication with staff
  - c) To ensure effective communication among staff members
  - d) To undermine the principal's authority
- 
- Answer: c) To ensure effective communication among staff members
- 
- 38. How should a school secretary handle a request for a school event reservation?
  - a) Ignore the request
  - b) Deny the request immediately
  - c) Accommodate the request and follow the school's procedures
  - d) Cancel all school events
- 
- Answer: c) Accommodate the request and follow the school's procedures
- 
- 39. Which of the following is an important skill for a school secretary to possess?
  - a) Juggling
  - b) Singing
  - c) Problem-solving
  - d) Dancing
-

- Answer: c) Problem-solving
- 
- 40. What is the role of a school secretary during standardized testing?
  - a) Administering the tests
  - b) Scoring the tests
  - c) Supervising the testing environment
  - d) None of the above
- 
- Answer: c) Supervising the testing environment
- 
- 41. How should a school secretary handle a request for a student's disciplinary record?
  - a) Provide the record immediately
  - b) Ignore the request
  - c) Verify the requester's identity and follow proper procedures
  - d) Ask the principal for permission
- 
- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 42. What is the purpose of a school secretary's equipment maintenance?
  - a) To neglect equipment repairs
  - b) To ensure all equipment is in working order
  - c) To use equipment for personal use
  - d) To sell equipment for profit
- 
- Answer: b) To ensure all equipment is in working order
-

- 43. How should a school secretary handle a request for a student's transcript?
  - a) Provide the transcript immediately
  - b) Ignore the request
  - c) Verify the requester's identity and follow proper procedures
  - d) Ask the principal for permission
- 
- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 44. Which of the following is an important quality for a school secretary to possess?
  - a) Artistic skills
  - b) Mathematical genius
  - c) Strong leadership
  - d) Excellent communication
- 
- Answer: d) Excellent communication
- 
- 45. What is the role of a school secretary during school assemblies?
  - a) Teaching classes
  - b) Supervising students
  - c) Organizing games and activities
  - d) Assisting with logistics and coordination
- 
- Answer: d) Assisting with logistics and coordination
- 
- 46. How should a school secretary handle a request for a school report?
  - a) Provide the report immediately

- b) Ignore the request
- c) Verify the requester's identity and follow proper procedures
- d) Ask the principal for permission
- 
- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 47. What is the purpose of a school secretary's parent communication?
  - a) To avoid communication with parents
  - b) To gossip about parents
  - c) To establish positive relationships and provide information
  - d) To criticize parents
- 
- Answer: c) To establish positive relationships and provide information
- 
- 48. How should a school secretary handle a request for a student's immunization records?
  - a) Provide the records immediately
  - b) Ignore the request
  - c) Verify the requester's identity and follow proper procedures
  - d) Ask the principal for permission
- 
- Answer: c) Verify the requester's identity and follow proper procedures
- 
- 49. Which of the following is an important skill for a school secretary to possess?



- a) Singing
- b) Dancing
- c) Multitasking
- d) Painting

- Answer: c) Multitasking

- 50. What is the purpose of a school secretary's professional development?

- a) To avoid professional growth
- b) To enhance skills and knowledge
- c) To criticize colleagues
- d) To ignore changes in education

- Answer: b) To enhance skills and knowledge

- I hope these questions and answers are helpful for your school accountant studies! Sure! Here are 100 multiple-choice questions and answers for an accountant secretary:

- 1. What is the primary role of an accountant secretary?

- a) Managing financial records
- b) Scheduling appointments
- c) Answering phone calls
- d) Drafting emails and letters
- Answer: a) Managing financial records

- 2. Which financial statement provides an overview of a company's financial position at a specific point in time?

- a) Income statement

- b) Balance sheet
- c) Statement of cash flows
- d) Statement of retained earnings
- Answer: b) Balance sheet
- 
- 3. What is the purpose of double-entry bookkeeping?
- a) To record financial transactions in a single account
- b) To ensure accuracy and maintain the balance of accounts
- c) To calculate taxes owed by a company
- d) To prepare financial statements
- Answer: b) To ensure accuracy and maintain the balance of accounts
- 
- 4. What is the formula to calculate net profit?
- a) Revenue - Expenses
- b) Assets - Liabilities
- c) Gross Profit - Operating Expenses
- d) Net Sales - Cost of Goods Sold
- Answer: a) Revenue - Expenses
- 
- 5. Which accounting principle states that expenses should be recognized in the same period as the revenue they help generate?
- a) Matching principle
- b) Revenue recognition principle
- c) Conservatism principle
- d) Materiality principle
- Answer: a) Matching principle
-

- 6. What is the purpose of an accounts receivable aging report?
  - a) To track the age of outstanding customer invoices
  - b) To calculate the average collection period
  - c) To determine bad debts expense
  - d) To reconcile customer payments
  - Answer: a) To track the age of outstanding customer invoices
- 
- 7. Which accounting software is widely used for bookkeeping and financial management?
  - a) Microsoft Excel
  - b) QuickBooks
  - c) SAP
  - d) Xero
  - Answer: b) QuickBooks
- 
- 8. What is the purpose of a general ledger?
  - a) To record all financial transactions of a company
  - b) To prepare financial statements
  - c) To calculate payroll taxes
  - d) To generate invoices for customers
  - Answer: a) To record all financial transactions of a company
- 
- 9. Which financial ratio measures a company's ability to meet short-term obligations?
  - a) Current ratio
  - b) Debt-to-equity ratio
  - c) Return on investment
  - d) Gross profit margin

- Answer: a) Current ratio
- 
- 10. What is the purpose of a trial balance?
- a) To ensure that debits equal credits in the general ledger
- b) To prepare financial statements
- c) To calculate payroll taxes
- d) To reconcile bank statements
- Answer: a) To ensure that debits equal credits in the general ledger
- 
- 11. Which accounting method records revenue when cash is received and expenses when cash is paid?
- a) Accrual basis
- b) Cash basis
- c) LIFO method
- d) FIFO method
- Answer: b) Cash basis
- 
- 12. Which financial statement reports a company's revenues, expenses, and net income or loss for a specific period?
- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of retained earnings
- Answer: a) Income statement
- 
- 13. What is the purpose of accounts payable?
- a) To track customer payments
- b) To record expenses and liabilities owed to suppliers

- c) To calculate depreciation expense
- d) To reconcile bank statements
- Answer: b) To record expenses and liabilities owed to suppliers
- 
- 14. Which accounting principle states that assets should be recorded at their original cost?
  - a) Materiality principle
  - b) Consistency principle
  - c) Historical cost principle
  - d) Going concern principle
  - Answer: c) Historical cost principle
- 
- 15. What is the purpose of a cash flow statement?
  - a) To report a company's financial position at a specific point in time
  - b) To calculate net profit
  - c) To track the inflow and outflow of cash during a specific period
  - d) To reconcile customer payments
  - Answer: c) To track the inflow and outflow of cash during a specific period
- 
- 16. Which financial ratio measures a company's profitability relative to its assets?
  - a) Return on assets
  - b) Return on equity
  - c) Current ratio
  - d) Debt-to-equity ratio
  - Answer: a) Return on assets
-

- 17. What is the purpose of a bank reconciliation statement?
  - a) To ensure that the bank's recorded balance matches the company's recorded balance
  - b) To calculate payroll taxes
  - c) To generate invoices for customers
  - d) To reconcile customer payments
  - Answer: a) To ensure that the bank's recorded balance matches the company's recorded balance
- 
- 18. Which financial statement reports changes in a company's retained earnings over a specific period?
  - a) Income statement
  - b) Balance sheet
  - c) Statement of cash flows
  - d) Statement of retained earnings
  - Answer: d) Statement of retained earnings
- 
- 19. What is the purpose of a fixed asset register?
  - a) To track the depreciation expense of fixed assets
  - b) To record customer payments
  - c) To calculate payroll taxes
  - d) To reconcile bank statements
  - Answer: a) To track the depreciation expense of fixed assets
- 
- 20. Which accounting principle states that financial statements should be prepared assuming that a company will continue to operate indefinitely?
  - a) Materiality principle
  - b) Consistency principle

- c) Historical cost principle
- d) Going concern principle
- Answer: d) Going concern principle
- 
- 21. What is the purpose of a payroll journal?
- a) To record employee wages and salaries
- b) To prepare financial statements
- c) To calculate payroll taxes
- d) To reconcile bank statements
- Answer: a) To record employee wages and salaries
- 
- 22. Which financial ratio measures a company's ability to generate profit from its sales?
- a) Gross profit margin
- b) Return on investment
- c) Current ratio
- d) Debt-to-equity ratio
- Answer: a) Gross profit margin
- 
- 23. What is the purpose of a chart of accounts?
- a) To record all financial transactions of a company
- b) To calculate net profit
- c) To track the inflow and outflow of cash during a specific period
- d) To categorize and organize financial transactions
- Answer: d) To categorize and organize financial transactions
- 
- 24. Which accounting method records revenue when it is earned and expenses when they are incurred?

- a) Accrual basis
- b) Cash basis
- c) LIFO method
- d) FIFO method
- Answer: a) Accrual basis
- 
- 25. What is the purpose of a petty cash fund?
- a) To track customer payments
- b) To record expenses of small amounts
- c) To calculate depreciation expense
- d) To reconcile bank statements
- Answer: b) To record expenses of small amounts
- 
- 26. Which financial statement reports a company's assets, liabilities, and shareholders' equity at a specific point in time?
- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of retained earnings
- Answer: b) Balance sheet
- 
- 27. What is the purpose of a purchase order?
- a) To track customer orders
- b) To record expenses and liabilities related to purchases
- c) To calculate payroll taxes
- d) To reconcile bank statements
- Answer: b) To record expenses and liabilities related to purchases
-



- 28. Which accounting principle states that financial statements should be prepared using consistent methods and procedures?
  - a) Materiality principle
  - b) Consistency principle
  - c) Historical cost principle
  - d) Going concern principle
  - Answer: b) Consistency principle
  -
- 29. What is the purpose of a statement of cash flows?
  - a) To report a company's financial position at a specific point in time
  - b) To calculate net profit
  - c) To track the inflow and outflow of cash during a specific period
  - d) To reconcile customer payments
  - Answer: c) To track the inflow and outflow of cash during a specific period
  -
- 30. Which financial ratio measures a company's ability to cover its short-term liabilities with its short-term assets?
  - a) Current ratio
  - b) Debt-to-equity ratio
  - c) Return on investment
  - d) Gross profit margin
  - Answer: a) Current ratio
  -
- 31. What is the purpose of a depreciation schedule?
  - a) To track the age of outstanding customer invoices

- b) To calculate the average collection period
- c) To determine bad debts expense
- d) To record the depreciation of fixed assets over time
- Answer: d) To record the depreciation of fixed assets over time
- 
- 32. Which accounting software is widely used for enterprise resource planning (ERP)?
- a) Microsoft Excel
- b) QuickBooks
- c) SAP
- d) Xero
- Answer: c) SAP
- 
- 33. What is the purpose of an income statement?
- a) To report a company's financial position at a specific point in time
- b) To calculate net profit
- c) To track the inflow and outflow of cash during a specific period
- d) To reconcile customer payments
- Answer: b) To calculate net profit
- 
- 34. Which financial ratio measures a company's profitability relative to its shareholders' equity?
- a) Return on assets
- b) Return on equity
- c) Current ratio
- d) Debt-to-equity ratio
- Answer: b) Return on equity
-

- 35. What is the purpose of a cash budget?
  - a) To track customer payments
  - b) To record expenses and liabilities owed to suppliers
  - c) To calculate payroll taxes
  - d) To forecast cash inflows and outflows
  - Answer: d) To forecast cash inflows and outflows
  -
- 36. Which accounting principle states that financial statements should only include information that is relevant and material?
  - a) Materiality principle
  - b) Consistency principle
  - c) Historical cost principle
  - d) Going concern principle
  - Answer: a) Materiality principle
  -
- 37. What is the purpose of a sales journal?
  - a) To record customer orders
  - b) To prepare financial statements
  - c) To calculate payroll taxes
  - d) To record sales transactions
  - Answer: d) To record sales transactions
  -
- 38. Which financial statement reports a company's cash inflows and outflows from operating, investing, and financing activities?
  - a) Income statement
  - b) Balance sheet
  - c) Statement of cash flows
  - d) Statement of retained earnings
  - Answer: c) Statement of cash flows

- 
- 39. What is the purpose of a bank statement?
  - a) To ensure that debits equal credits in the general ledger
  - b) To prepare financial statements
  - c) To track the inflow and outflow of cash during a specific period
  - d) To reconcile the company's recorded balance with the bank's recorded balance
  - Answer: d) To reconcile the company's recorded balance with the bank's recorded balance
- 
- 40. Which financial ratio measures a company's ability to pay off its long-term debt?
  - a) Current ratio
  - b) Debt-to-equity ratio
  - c) Return on investment
  - d) Gross profit margin
  - Answer: b) Debt-to-equity ratio
- 
- 41. What is the purpose of an accounts receivable turnover ratio?
  - a) To track the age of outstanding customer invoices
  - b) To calculate the average collection period
  - c) To determine bad debts expense
  - d) To reconcile customer payments
  - Answer: b) To calculate the average collection period
- 
- 42. Which accounting software is widely used for small business accounting?

- a) Microsoft Excel
- b) QuickBooks
- c) SAP
- d) Xero
- Answer: d) Xero
- 
- 43. What is the purpose of a trial balance?
- a) To ensure that the bank's recorded balance matches the company's recorded balance
- b) To prepare financial statements
- c) To ensure that debits equal credits in the general ledger
- d) To reconcile customer payments
- Answer: c) To ensure that debits equal credits in the general ledger
- 
- 44. Which financial statement reports changes in a company's cash and cash equivalents over a specific period?
- a) Income statement
- b) Balance sheet
- c) Statement of cash flows
- d) Statement of retained earnings
- Answer: c) Statement of cash flows
- 
- 45. What is the purpose of a fixed asset?
- a) To track the depreciation expense of fixed assets
- b) To record customer payments
- c) To calculate payroll taxes
- d) To generate invoices for customers

- Answer: a) To track the depreciation expense of fixed assets
- 
- 46. Which accounting principle states that financial statements should be prepared assuming that a company will continue to operate indefinitely?
  - a) Materiality principle
  - b) Consistency principle
  - c) Historical cost principle
  - d) Going concern principle
  - Answer: d) Going concern principle
- 
- 47. What is the purpose of a purchase requisition?
  - a) To track customer orders
  - b) To record expenses and liabilities related to purchases
  - c) To calculate payroll taxes
  - d) To reconcile bank statements
  - Answer: a) To track customer orders
- 
- 48. Which accounting method assumes that the most recently purchased items are sold first?
  - a) Accrual basis
  - b) Cash basis
  - c) LIFO method
  - d) FIFO method
  - Answer: c) LIFO method
- 
- 49. What is the purpose of a cash receipts journal?
  - a) To record employee wages and salaries
  - b) To prepare financial statements
  - c) To calculate payroll taxes

- d) To record cash received from customers
- Answer: d) To record cash received from customers
- 
- 50. Which financial statement reports a company's revenues, expenses, and net income or loss for a specific period?
  - a) Income statement
  - b) Balance sheet
  - c) Statement of cash flows
  - d) Statement of retained earnings
  - Answer: a) Income statement
  -
- 51. What is the purpose of accounts payable?
  - a) To track customer payments
  - b) To record expenses and liabilities owed to suppliers
  - c) To calculate depreciation expense
  - d) To reconcile bank statements
  - Answer: b) To record expenses and liabilities owed to suppliers
  -
- 52. Which accounting principle states that assets should be recorded at their original cost?
  - a) Materiality principle
  - b) Consistency principle
  - c) Historical cost principle
  - d) Going concern principle
  - Answer: c) Historical cost principle
  -
- 53. What is the purpose of a cash flow statement?

- a) To report a company's financial position at a specific point in time
- b) To calculate net profit
- c) To track the inflow and outflow of cash during a specific period
- d) To reconcile customer payments
- Answer: c) To track the inflow and outflow of cash during a specific period
- 
- 54. Which financial ratio measures a company's profitability relative to its assets?
  - a) Return on assets
  - b) Return on equity
  - c) Current ratio
  - d) Debt-to-equity ratio
  - Answer: a) Return on assets
- 
- 55. What is the purpose of a bank reconciliation statement?
  - a) To ensure that the bank's recorded balance matches the company's recorded balance
  - b) To calculate payroll taxes
  - c) To generate invoices for customers
  - d) To reconcile customer payments
  - Answer: a) To ensure that the bank's recorded balance matches the company's recorded balance
- 
- 56. Which financial statement reports changes in a company's retained earnings over a specific period?
  - a) Income statement
  - b) Balance sheet
  - c) Statement of cash flows



- d) Statement of retained earnings
- Answer: d) Statement of retained earnings
- 
- 57. What is the purpose of a fixed asset register?
- a) To track the depreciation expense of fixed assets
- b) To record customer payments
- c) To calculate payroll taxes
- d) To reconcile bank statements
- Answer: a) To track the depreciation expense of fixed assets
- 
- 58. Which accounting principle states that financial statements should be prepared assuming that a company will continue to operate indefinitely?
- a) Materiality principle
- b) Consistency principle
- c) Historical cost principle
- d) Going concern principle
- Answer: d) Going concern principle
- 
- 59. What is the purpose of a payroll journal?
- a) To record employee wages and salaries
- b) To prepare financial statements
- c) To calculate payroll taxes
- d) To reconcile bank statements
- Answer: a) To record employee wages and salaries
- 
- 60. Which financial ratio measures a company's ability to generate profit from its sales?
- a) Gross profit margin
- b) Return on investment

- c) Current ratio
- d) Debt-to-equity ratio
- Answer: a) Gross profit margin
- 
- 61. What is the purpose of a chart of accounts?
- a) To record all financial transactions of a company
- b) To calculate net profit
- c) To track the inflow and outflow of cash during a specific period
- d) To categorize and organize financial transactions
- Answer: d) To categorize and organize financial transactions
- 
- 62. Which accounting method records revenue when cash is received and expenses when cash is paid?
- a) Accrual basis
- b) Cash basis
- c) LIFO method
- d) FIFO method
- Answer: b) Cash basis
- 
- 63. What is the purpose of a petty cash fund?
- a) To track customer payments
- b) To record expenses of small amounts
- c) To calculate depreciation expense
- d) To reconcile bank statements
- Answer: b) To record expenses of small amounts
-

- 64. Which financial statement reports a company's assets, liabilities, and shareholders' equity at a specific point in time?
  - a) Income statement
  - b) Balance sheet
  - c) Statement of cash flows
  - d) Statement of retained earnings
  - Answer: b) Balance sheet
  -
- 65. What is the purpose of a purchase order?
  - a) To track customer orders
  - b) To record expenses and liabilities related to purchases
  - c) **1. The revenues and expenses of a company are displayed in which statement?**
    - A. Balance Sheet
    - B. Cash Flow Statement
    - C. Income Statement
    - D. None of the above

**Answer:** C) Income Statement

**Explanation:**

The income statement displays all the revenues and expenses of a company.

[Discuss this Question](#)

**2. The main Purpose of Financial Accounting is?**

- A. To Provide financial information to shareholders
- B. To maintain balance sheet
- C. To minimize taxes.

D. To keep track of liabilities

**Answer:** A) To Provide financial information to shareholders

**Explanation:**

The purpose of financial accounting is to provide financial information to shareholders.

[Discuss this Question](#)

**3. The expanded accounting equation is used by which statement?**

- A. Cash Flow Statement
- B. Balance Sheet
- C. Income Statement
- D. None of the above

**Answer:** B) Balance Sheet

**Explanation:**

The expanded accounting equation is used by the balance sheet.

[Discuss this Question](#)

**4. What type of balance do asset accounts have?**

- A. Contra
- B. Credit
- C. Debit
- D. All of the above

**Answer:** C) Debit

**Explanation:**

Assets Account have a debit balance.

[Discuss this Question](#)

**5.The kind of debts which are needed to be repaid in a short term is known as?**

- A. Fixed Liabilities
- B. Current Liabilities
- C. Depreciating Assets
- D. Intangible Assets

**Answer:** B) Current Liabilities

**Explanation:**

Current Liabilities are the debts that needed to be repaid in a short period.

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**6. The account which increases equity is known as?**

- A. Debit Account
- B. Credit Account
- C. Revenue
- D. Treasury Stock

**Answer:** C) Revenue

**Explanation:**

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Revenue, Owner Investments and retained earnings increase the equity of a company.

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**7. What are the long-term assets which do not have any physical existence?**

- A. Intangible Assets
- B. Tangible Assets
- C. Current Liabilities
- D. Current Assets

**Answer:** A) Intangible Assets

**Explanation:**

Intangible Assets have no physical existence. For Example, Goodwill, Brand Recognition, Patents etc. are known as Intangible Assets.

[Discuss this Question](#)

**8. What is the supporting evidence in a business transaction called?**

- A. Journal
- B. Ledger
- C. Voucher
- D. Contra Voucher

**Answer:** C) Voucher

**Explanation:**

Vouchers are proof that a business transaction has taken place.

[Discuss this Question](#)

**9. The Expenses, Profit & Loss of an organisation are recorded in which account?**

- A. Current Account
- B. Personal Account
- C. Nominal Account
- D. None of the above

**Answer:** C) Nominal Account

**Explanation:**

The nominal account records all the transactions of a business for one fiscal year.

[Discuss this Question](#)

**10. Which person owes an amount to a business organisation for buying goods and services on a credit basis?**

- A. Creditors
- B. Debtors
- C. Owner
- D. None of the above

**Answer:** B) Debtors

**Explanation:**

Debtors are the persons who owe an amount to a business organisation for buying goods and services on a credit basis.

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## 11. When are balance sheets prepared?

- A. Quarterly
- B. Yearly
- C. Monthly
- D. None of the above

**Answer:** B) Yearly

### **Explanation:**

Balance Sheets are prepared yearly as it displays the liabilities and assets of a company.

[Discuss this Question](#)

## 12. What is Activity Ratio?

- A. Financial Ratios that measure a firm's ability to convert different accounts into a balance sheet.
- B. Ratios that measure a company's ability to pay debt obligations and its margin of safety.
- C. Financial measurements that assess the ability of a company to meet its financial obligations
- D. The ratio that evaluates the company's ability to generate income as compared to its expenses.

**Answer:** A) Financial Ratios that measure a firm's ability to convert different accounts into a balance sheet

### **Explanation:**

Activity Ratios are a category of financial ratios that measure a firm's ability to convert different accounts within its balance sheets into cash or sales.

[Discuss this Question](#)



### 13. What is Current Liability?

- A. Assets of a company that are expected to be sold or used as a result of standard business operations over the next year.
- B. A potential liability that may occur in the future.
- C. Company's short-term financial obligations that are due within one year or within a normal operating cycle.
- D. Obligations listed on the balance sheet not due for more than a year.

**Answer:** C) Company's short-term financial obligations that are due within one year or within a normal operating cycle

#### **Explanation:**

Current liabilities are a company's short-term financial obligations that are due within one year or within a normal operating cycle.

[Discuss this Question](#)

### 14. What is an operating cycle?

- A. A metric that expresses the time (measured in days) it takes for a company to convert its investments in inventory and other resources into cash flows from sales.
- B. The time it takes a company to buy goods, sell them and receive cash from the sale of said goods.
- C. The process of hiring personnel to conduct the daily operations of the business.
- D. collective process of identifying, analysing, and recording the accounting events of a company.

**Answer:** B) The time it takes a company to buy goods, sell them and receive cash from the sale of said goods

**Explanation:**

An operating cycle refers to the time it takes a company to buy goods, sell them and receive cash from the sale of said goods. In other words, it's how long it takes a company to turn its inventories into cash. The length of an operating cycle is dependent upon the industry.

[Discuss this Question](#)

**15. What are Outstanding Expenses?**

- A. Expenses which are not paid off in the current balance sheet.
- B. The necessary purchases that keep a business going from day-to-day.
- C. Type of expense that is due but has not been paid.
- D. None of the above.

**Answer:** C) Type of expense that is due but has not been paid

**Explanation:**

An Outstanding Expense is a type of expense that is due but has not been paid. This expense becomes outstanding to the company when, this has taken the benefit, but the related payment has not been made simultaneously. For Example: Rent due but not yet paid.

[Discuss this Question](#)

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**16. What is Bank Overdraft?**

- A. A document used by a company's accounts payable department containing the supporting documents for an invoice.
- B. A negotiable instrument where payment is guaranteed by the issuing bank.
- C. A negotiable instrument similar to a bill of exchange.

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D. A line of credit that covers your transactions if your bank account balance drops below zero.

**Answer:** D) A line of credit that covers your transactions if your bank account balance drops below zero

**Explanation:**

An overdraft facility linked to your everyday transaction account is an unsecured line of credit designed to cover short-term cash flow shortfalls.

[Discuss this Question](#)

**17. Which Ratio protects the Creditors?**

- A. Lower Debt Equity Ratio
- B. Liquidity Assets
- C. Higher Inventory Ratio
- D. Return on Investment Ratio

**Answer:** A) Lower Debt Equity Ratio

**Explanation:**

Lower the Debt Equity ratio higher is the protection to creditors. Creditors usually like a low debt to equity ratio because a low ratio (less than 1) is the indication of greater protection to their money.

[Discuss this Question](#)

**18. Return on Investment =?**

- A. Net Sales x 100
- B. Fixed Assets x 100
- C. Total Assets x 100

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D. None of the above

**Answer:** C) Total Assets x 100

**Explanation:**

Return on Investment Ratio (ROI) = (Net profit / Total assets) x 100.

Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments.

[Discuss this Question](#)

**19. What does improper utilization of resources and over investment in assets indicate?**

- A. Low Return on Investment
- B. Low Sales
- C. High Sales
- D. Depreciation of Assets

**Answer:** A) Low Return on Investment

**Explanation:**

Improper Utilization of resources and over investment in assets indicate a Low Return on Investment.

[Discuss this Question](#)

**20. Which budget is prepared for Advertising, Salary, and Market Analysis?**

- A. Operating Budget
- B. Sales Expenditure Budget

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- C. Static Budget
- D. Labor Budget

**Answer:** B) Sales Expenditure Budget

**Explanation:**

The selling expense budget is usually based on the sales budget and the prior expense budgets in prior years.

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**21. What does a master budget include?**

- A. Material Budget
- B. Production Budget
- C. Sales Budget
- D. All of the above

**Answer:** D) All of the above

**Explanation:**

A Master Budget consists of Sales budget, Production budget and Material budget.

[Discuss this Question](#)

**22. Transaction is referred as which event in accounting?**

- A. Political Event
- B. Economic Event
- C. Dividend

D. Cash Transaction

**Answer:** B) Economic Event

**Explanation:**

In accounting, an economic event is referred to as Transaction.

[Discuss this Question](#)

**23. Recording financial transaction is part of?**

- A. Accounting
- B. Book Keeping
- C. Data Entry
- D. Journal

**Answer:** B) Book Keeping

**Explanation:**

Bookkeeping refers mainly to the record-keeping aspects of financial accounting, and involves preparing source documents for all transactions, operations, and other events of a business.

[Discuss this Question](#)

**24. Examining of financial information refers to?**

- A. Analysis
- B. Auditing
- C. Recording
- D. Balance Sheet

**Answer:** B) Auditing

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**Explanation:**

Auditing is defined as the on-site verification activity, such as inspection or examination, of a process or quality system, to ensure compliance to requirements.

[Discuss this Question](#)

**25. Who is an external user of financial statements?**

- A. Shareholders
- B. CEO
- C. Manager
- D. Creditor

**Answer:** D) Creditor

**Explanation:**

Creditor of the business is the external user of financial statements.

[Discuss this Question](#)

**26. Identifying an economic transaction is which phase of accounting cycle?**

- A. First
- B. Second
- C. Third
- D. Last

**Answer:** A) First

**Explanation:**

Identifying an economic transaction is the first phase of an accounting cycle.

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## 27. What is a Company?

- A. Legal entity organized and operated for a collective, public or social benefit, in contrast with an entity that operates as a business aiming to generate a profit for its owners.
- B. Business organization which is owned and carried on jointly by the members of the Hindu Undivided Family.
- C. Unincorporated business with only one owner who pays personal income tax on profits earned.
- D. A legal entity formed by a group of individuals to engage in and operate a business.

**Answer:** D) A legal entity formed by a group of individuals to engage in and operate a business

### **Explanation:**

A company is a legal entity formed by a group of individuals to engage in and operate a business, commercial or industrial enterprise. A company may be organized in various ways for tax and financial liability purposes depending on the corporate law of its jurisdiction.

## 28. What are Liabilities?

- A. Resources of a Company
- B. Expenses of a Company
- C. Obligations of a Company
- D. None of the above

**Answer:** C) Obligations of a Company



**Explanation:**

Liabilities are defined as a company's legal financial debts or obligations that arise during the course of business operations.

[Discuss this Question](#)

**29. What is an Income?**

- A. A resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit.
- B. Obligation between one party and another not yet completed or paid for.
- C. Earning from investments and other sources unrelated to employment.
- D. The revenue a business earns from selling its goods and services.

**Answer:** D) The revenue a business earns from selling its goods and services

**Explanation:**

Income is the revenue a business earns by selling its goods or by providing services.

[Discuss this Question](#)

**30. An Asset possessed by the business should be shown in which part of balance sheet?**

- A. Liabilities
- B. Assets
- C. Revenues
- D. Fixed Assets

**Answer:** B) Assets

**Explanation:**

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An Asset possessed by the business should be shown in Asset part of balance sheet.

[Discuss this Question](#)

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**31. What is the common characteristic of all the assets owned by a company?**

- A. Intangible
- B. Long Life
- C. Future Economic Benefits
- D. None of the above

**Answer:** C) Future Economic Benefits

**Explanation:**

Future economic benefits are the most important characteristic that all assets of a business have.

[Discuss this Question](#)

**32. Capital + Liabilities = ?**

- A. Revenue
- B. Assets
- C. Unearned Income
- D. Voucher

**Answer:** B) Assets

**Explanation:**

This is the fundamental accounting equation, also called the balance sheet equation, represents the relationship between the assets, liabilities, and owner's equity of a person or business.

[Discuss this Question](#)

### 33. Owner's claim on total assets is?

- A. Liability
- B. Assets
- C. Equity
- D. Cash

**Answer:** C) Equity

#### **Explanation:**

Owner's claim on total assets is called equity.

[Discuss this Question](#)

### 34. What are Drawings?

- A. Accounting method used to allocate the cost of a tangible or physical asset over its useful life or life expectancy.
- B. The amount of cash that a business disburses.
- C. An increase in the value of an asset over time.
- D. Money that is taken from the business account for personal use.

**Answer:** D) Money that is taken from the business account for personal use

#### **Explanation:**

Drawing in accounts is the record kept by a business owner or accountant that shows how much money has been withdrawn by business owners.

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**35. What occurs when expenses are greater than income?**

- A. Net Loss
- B. Net Profit
- C. Debts
- D. Decrease in Assets

**Answer:** A) Net Loss

**Explanation:**

Net loss occurs when Expenses are greater than income. A net loss, sometimes referred to as a net operating loss (NOL), occurs when expenses exceed the income or total revenue produced for a given period of time.

**36. What is a nominal account?**

- A. An interest-bearing deposit account held at a bank or other financial institution.
- B. The account that represents a country's imports and exports of goods and services.
- C. The account in which accounting transactions are stored for one fiscal year.
- D. None of the above

**Answer:** C) The account in which accounting transactions are stored for one fiscal year

**Explanation:**

Nominal accounts are used to collect accounting transaction information for revenue, expense, gain, and loss transactions, all of which appear in the income statement.

[Discuss this Question](#)

### 37. What is a Real Account?

- A. An interest-bearing deposit account held at a bank or other financial institution.
- B. The account that represents a country's imports and exports of goods and services.
- C. The account in which accounting transactions are stored for one fiscal year.
- D. An account that retains and rolls forward its ending balance at the end of the year.

**Answer:** D) An account that retains and rolls forward its ending balance at the end of the year

#### **Explanation:**

A real account is an account that retains and rolls forward its ending balance at the end of the year. These amounts then become the beginning balances in the next period.

[Discuss this Question](#)

### 38. When does the capital of a company increase?

- A. Drawings Decrease
- B. Liabilities Decrease
- C. Revenue Increases
- D. Interest on capital increases

**Answer:** C) Revenue Increases

**Explanation:**

The capital of a company increases when its revenue increases.

[Discuss this Question](#)

**39. Revenue - Expenses =?**

- A. Net Income
- B. Net Loss
- C. Depreciation
- D. None of the above

**Answer:** A) Net Income

**Explanation:**

Revenue minus Expenses is the net income of the company.

[Discuss this Question](#)

**40. What causes the decrease in Assets?**

- A. Cash Purchases
- B. Liabilities
- C. Payment of Expenses
- D. Retained Earnings

**Answer:** C) Payment of Expenses

**Explanation:**

When an expense is recorded at the same time it is paid for with cash, the cash (asset) account declines, while the amount of the expense reduces the retained earnings account.

[Discuss this Question](#)

**41. Assets - Liabilities = ?**

- A. Income
- B. Gains
- C. Earnings
- D. Capital

**Answer:** D) Capital

**Explanation:**

Assets - Liabilities = Capital is correct.

[Discuss this Question](#)

**42. What increases the Assets & Equity?**

- A. Fresh Capital
- B. Debts paid off
- C. Revenues
- D. None of the above

**Answer:** A) Fresh Capital

**Explanation:**

The Assets & Equity of a company increases when fresh capital is introduced.

[Discuss this Question](#)

**43. What is the book of original entries?**

- A. Voucher Book
- B. General Journal
- C. Day Book
- D. Account Statement

**Answer:** B) General Journal

**Explanation:**

General Journal is the first place where a transaction is entered into the books.

[Discuss this Question](#)

**44. How many accounts are affected by a business transaction?**

- A. One
- B. Two
- C. Three
- D. Several

**Answer:** B) Two

**Explanation:**

Two accounts are affected whenever a transaction takes place in a business organization.

[Discuss this Question](#)

**45. Day book is also known as?**



- A. Journal
- B. Voucher
- C. Ledger
- D. Book Keeping

**Answer:** A) Journal

**Explanation:**

Day Book is the other name of Journal.

[Discuss this Question](#)

**46. What is a compound entry?**

- A. An entry involving more than two accounts.
- B. Accounting entry in which just one account is debited and one is credited.
- C. An accounting entry in which there is more than one debit, more than one credit, or more than one of both debits and credits.
- D. Entry that is used to record a business transaction in the accounting records of a business.

**Answer:** C) An accounting entry in which there is more than one debit, more than one credit, or more than one of both debits and credits.

**Explanation:**

A compound journal entry is an accounting entry in which there is more than one debit, more than one credit, or more than one of both debits and credits.

[Discuss this Question](#)

**47. Purchases are Debited when?**

- A. Goods are purchased on cash

- B. Goods are sold at a discount
- C. Goods are purchased on credit
- D. Goods are lost

**Answer:** C) Goods are purchased on credit

**Explanation:**

Purchases are debited when an organisation purchases goods on credit.

[Discuss this Question](#)

**48. When are Drawing Debited?**

- A. Cash withdrawn for personal use
- B. Cash withdrawn for payment of goods
- C. Cash withdrawn for salary
- D. Octroi

**Answer:** A) Cash withdrawn for personal use

**Explanation:**

Drawings Account is debited when cash is withdrawn for personal use.

[Discuss this Question](#)

**49. In what order data is entered into Journal?**

- A. Chronological Order
- B. Numeric Order
- C. Alphabetically
- D. Bullets

**Answer:** A) Chronological Order

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**Explanation:**

Journal entries are typically entered in chronological order.

[Discuss this Question](#)

**50. Cash Account is credited when?**

- A. Debts paid off
- B. Building bought in cash
- C. Asset sold for cash
- D. None of the above

**Answer:** B) Building bought in cash

**Explanation:**

Cash Account is credited when a building is purchased by the organization for cash.

**51.**Accounting provides data or information on

- A) Income and cost for the managers
- B) Financial conditions of the institutions
- C) Company's tax liability for a particular year
- D) All the above

**Answer:** D

**52.**Long term assets without any physical existence but, possessing a value are called

- A) Intangible assets
- B) Fixed assets
- C) Current assets
- D) Investments

**Answer:** A

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53. The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as

- A) Current assets
- B) Fixed assets
- C) Intangible assets
- D) Investments

**Answer: A**

54. Copyrights, Patents and Trademarks are examples of

- A) Current assets
- B) Fixed assets
- C) Intangible assets
- D) Investments

**Answer: C**

55. The debts which are to be repaid within a short period (a year or less) are referred to as,

- A) Current Liabilities
- B) Fixed liabilities
- C) Contingent liabilities
- D) All the above

**Answer: A**

56. Gross profit is

- A) Cost of goods sold + Opening stock
- B) Sales – cost of goods sold
- C) Sales – Purchases
- D) Net profit – expenses

**Answer: B**

57. Net profit is calculated in which of the following account?

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- A) Profit and loss account
- B) Balance sheet
- C) Trial balance
- D) Trading account

**Answer: A**

58. In order to find out the value of the closing stock during the end of the financial year we,

- A) do this by stocktaking
- B) deduct the cost of goods sold from sales
- C) deduct opening stock from the cost of goods sold
- D) look in the stock account

**Answer: A**

59. Which of these best explains fixed assets?

- A) Are bought to be used in the business
- B) Are expensive items bought for the business
- C) Are items which will not wear out quickly
- D) Are of long life and are not purchased specifically for resale

**Answer: D**

#### **Question 10**

The charges of placing commodities into a saleable condition should be charged to

- A) Trading account
- B) P & L a/c
- C) Balance Sheet
- D) None of the above

**Answer: B**

#### **Question 11**

Suppliers personal a/c are seen in the

- A) Sales Ledger
- B) Nominal ledger
- C) Purchases Ledger

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D) General Ledger

**Answer: C**

**Question 12**

If you want to ensure that your money will be secured if cheques sent are wasted in the post, you should

- A) Always pay by cash
- B) Cross your Cheques 'Account Payee only, Not Negotiable.'
- C) Always get the money in person
- D) Not use the postal service in future

**Answer: B**

**Question 13**

Discounts received are

- A) Buyer of goods granted discount by seller
- B) Deducted when we receive cash
- C) Given by us when we sell goods on credit
- D) None of these

**Answer: A**

**Question 14**

Sales invoices are first entered in

- A) The Cash Book
- B) The Purchases Journal
- C) The Sales Journal
- D) The Sales Account

**Answer: C**

**Question 15**

Entered in the Purchases Journal are

- A) Discounts received
- B) Purchases invoices
- C) Payments to suppliers
- D) Trade discounts

**Answer: B**

**Question 16**

At the balance sheet date, the balance on the Accumulated Provision for Depreciation Account is

- A) Simply deducted from the asset in the Balance Sheet
- B) Transferred to Profit and Loss Account
- C) Transferred to the Asset Account
- D) Transferred to Depreciation Account

**Answer: A**

**Question 17**

If we take goods for own use we should

- A) Debit Drawings Account, Credit Purchases Account
- B) Debit Drawings Account: Credit Stock Account
- C) Debit Sales Account: Credit Stock Account
- D) Debit Purchases Account: Credit Drawings Account

**Answer: A**

**Question 18**

When a petty cash book is kept there will be

- A) No entries made at all in the general ledger for items paid by petty cash
- B) The same number of entries in the general ledger
- C) Fewer entries made in the general ledger
- D) More entries made in the general ledger

**Answer: C**

19.If a trial balance totals do not agree, the difference must be entered in

- A) The Profit and Loss Account
- B) A Nominal Account
- C) The Capital Account
- D) A Suspense Account

**Answer: D**

20.If it is required to maintain fixed capitals then the partners' shares of profits must be

- A) Credited to capital accounts
- B) Debited to capital accounts

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- C) Debited to partners' current accounts
- D) Credited to partners' current accounts

**Answer:** D

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\_\_\_\_\_ is a specialised branch of accounting that keeps track of a company's financial transactions.

- A. Cost accounting
- B. Management accounting
- C. Financial Accounting
- D. Corporate accounting

View Answer

C. Financial Accounting

**Financial accountancy is governed by \_\_\_\_\_**

- A. local standards only
- B. international standards
- C. local as well as international accounting standards
- D. company's internal top management only

View Answer

C. local as well as international accounting standards

\_\_\_\_\_ is the scope of financial accounting.

- A. Collection and processing of data
- B. Verifying or auditing data

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C. Publishing data

D. All of the above

View Answer

D. All of the above

**Which is not a benefit of financial accounting?**

A. Maintaining systematic records

B. Protecting and safeguarding business assets

C. Historical in nature

D. Facilitates rational decision making

View Answer

C. Historical in nature

**Which is not a limitation of financial accounting?**

A. Inadequate information to fix up the price of products manufactured

B. Lack of data for comparison of cost of operation of the firm with other firms in the industry

C. The data available is historical in nature

D. Complies with the various legal requirements

View Answer

D. Complies with the various legal requirements

**The overriding purpose of financial accounting is to summarize financial activity in business in the \_\_\_\_\_**

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A. profit and loss statement

B. balance sheet

C. cash flow statement

D. all of the above

View Answer

D. all of the above

\_\_\_\_\_ are the basis of the business's financial accounting.

A. Accounting records

B. Bookkeeping

C. Sales Volume

D. Both A & B

View Answer

D. Both A & B

**Financial accounting provides accounting information to the \_\_\_\_\_ though the information is useful for internal purposes also.**

A. external users

B. internal users

C. company

D. competitors

View Answer

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A. external users

**Financial accounting reports to the \_\_\_\_\_ after the completion of the accounting year.**

A. internal management

B. external parties

C. Media

D. rivals

View Answer

B. external parties

**Financial accounting reports include \_\_\_\_\_**

A. profit and loss account

B. directors report

C. balance sheet and auditors report

D. all of the above

View Answer

D. all of the above

**Financial accounting cover overall performance of the \_\_\_\_\_**

A. Competitors

B. Market

C. Company

D. Finance department

View Answer

C. Company

**Financial accounting reports lay greater emphasis on the \_\_\_\_\_**

A. objectivity of data

B. Flexibility of data

C. Relevancy of data

D. Subjectivity of data

View Answer

A. objectivity of data

**Presentation of of financial accounting reports is mandatory under the provisions of of section 209 (1), 210 (1) and 216, 217 of \_\_\_\_\_**

A. the business act 1956

B. the companies act 1956

C. the company act 1965

D. the company 2016

View Answer

B. the companies act 1956

**Select the correct answer.**

A. financial accounting reports generally govern accepted accounting principles

B. Generally accepted accounting principles governing financial accounting reports

C. Generally accepted accounting principles does not governing financial accounting reports

D. There is no relation between Generally accepted accounting principles and financial accounting reports

View Answer

**Financial accounting statements are subject to \_\_\_\_\_**

A. Cost audit

B. Forensic audit

C. Statutory audit

D. Non statutory audit

View Answer

C. Statutory audit

**The annual reports are to be prepared and published for circulation among the external end users such as \_\_\_\_\_**

A. Company, competitors, contributors and colleagues

B. Customers. creators, collaborators and contractors

C. Government, competitors, owners and top management

D. shareholders, investors, bankers, debenture holders and creditors

View Answer

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D. shareholders, investors, bankers, debenture holders and creditors

\_\_\_\_\_ is a structured representation of the financial performance and financial position of a business and changes over a period of time.

A. Profit and loss account

B. Financial statement

C. Balance sheet

D. Internal audit

View Answer

B. Financial statement

\_\_\_\_\_ are the components of financial statements.

A. profit and loss account and balance sheet

B. cash flow and fund flow statement

C. notes and schedules

D. All of the above

View Answer

D. All of the above

\_\_\_\_\_ explain the financial position of the reporting entity at the end of the accounting period.

A. Balance sheet

B. Income statement

C. ledger

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D. Notes & schedules

View Answer

A. Balance sheet

\_\_\_\_\_ **helps to find out the profit made on loss sustained in a particular accounting period through transactions and events.**

A. Income statement

B. Profit and loss account

C. Trading account

D. None of the above

View Answer

B. Profit and loss account

\_\_\_\_\_ **is not a primary source of long-term debt financing.**

A. Accounts payable

B. Notes payable

C. Leases

D. Bonds

View Answer

A. Accounts payable

**Cash flow is also known as \_\_\_\_\_**

A. balance sheet flow

B. profit and loss account

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C. fund flow statement

D. notes and schedules

View Answer

C. fund flow statement

**\_\_\_\_\_ is used to analyse the pattern of movement or activity during the period to identify the way the enterprise has generated cash and the way they have been used in an accounting period.**

A. Balance sheet

B. Cash flow

C. Profit & Loss a/c

D. income statement

View Answer

B. Cash flow

**Notes and schedules is used to present supplementary information explaining different items of financial statements.**

A. balance sheet flow

B. profit and loss account

C. fund flow statement

D. notes and schedules

View Answer

D. notes and schedules

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\_\_\_\_\_ is a written evidence in support of a business transaction.

- A. Ledger
- B. Voucher
- C. Ledger Posting
- D. Journal

View Answer

B. Voucher

**Notes and schedules include disclosures about the risk and uncertainties affecting the enterprise and such items as disclosure of \_\_\_\_\_**

- A. accounting policies segment reports
- B. report of operations in the process of discontinuation
- C. Both A & B
- D. None of the above

View Answer

C. Both A & B

**Trademark, Copyrights & Patents are \_\_\_\_\_ assets.**

- A. Intangible
- B. Fixed
- C. Current
- D. Tangible

View Answer

A. Intangible

**Capital increases if \_\_\_\_\_**

A. cost increases

B. Expenses increases

C. Revenue increases

D. Interest on capital increases

View Answer

C. Revenue increases

**Current assets minus current liabilities is equal to \_\_\_\_\_**

A. losing capital

B. gaining capital

C. fixed capital

D. working capital

View Answer

D. working capital

**A \_\_\_\_\_ can also be referred to as a tangible asset.**

A. liquid asset

B. fixed asset

C. current asset

D. other asset

View Answer

B. fixed asset

This is all about MCQ on financial accounting and related topics.

1. What is the main objective of financial accounting?

- [A] profit and loss account only
- [B] balance sheet only
- [C] both P & L account and balance sheet
- [D] trial balance only

**Answer:** Option [C]

2. According to which concept the owners are considered to be different from the business

- [A] business entity concept
- [B] going concern concept
- [C] money measurement concept
- [D] accounting period concept

**Answer:** Option [A]

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3. According to which concept all the transactions are measurable in the terms of money are recorded in accounts?

- [A] business entity concept
- [B] going concern concept
- [C] money measurement concept
- [D] accounting period concept

**Answer:** Option [C]

4. While putting the value or price of an entity in financial records the lowest price is recorded not the current price or current market value. This is known as

- [A] Business Entity Concept
- [B] Conservatism
- [C] Expenditure Concept
- [D] Money Measurement Concept

**Answer:** Option [B]

5. Which of the following is related to Scientific system of maintaining account?

- [A] single entry
- [B] double entry
- [C] contra entry
- [D] book entry

**Answer:** Option [B]

6. Which of the following defines outstanding salary account?

- [A] natural personal account
- [B] artificial personal account
- [C] representative personal account
- [D] real account

**Answer:** Option [C]

7. Debit the receiver, credit the giver is rule for

- [A] personal account
- [B] tangible real account
- [C] nominal account
- [D] representative personal account

**Answer:** Option [A]

8. Interest earned is a

- [A] personal account
- [B] real account
- [C] nominal account

- [D] Intangible real account

**Answer:** Option [C]

9. Investment is a

- [A] personal account
- [B] real account
- [C] nominal account
- [D] representative personal account

**Answer:** Option [B]

10. Trading account is a

- [A] personal account
- [B] real account
- [C] nominal account
- [D] none of the above

**Answer:** Option [C]

11. Profit and loss account starts with

- [A] net profit
- [B] net loss
- [C] gross profit
- [D] none of the above

**Answer:** Option [C]

12. All revenue incomes are credited to

- [A] manufacturing account
- [B] trading account
- [C] profit and loss account
- [D] none of the above

**Answer:** Option [C]

13. In profit and loss account, if debit is more than the credit, the difference is

- [A] net profit
- [B] net loss
- [C] gross profit
- [D] none of the above

**Answer:** Option [A]

14. Assets which are acquired and held permanently and used in the business with the objective of making profits is known as

- [A] fixed assets
- [B] current assets
- [C] intangible assets
- [D] none of the above

**Answer:** Option [A]

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15. Which of the following assets have definite physical share or identity and existence?

- [A] fictitious assets
- [B] current assets
- [C] tangible assets
- [D] intangible assets

**Answer:** Option [C]

16. Outstanding expenses is a

- [A] liability
- [B] income
- [C] asset
- [D] none of the above

**Answer:** Option [A]

17. Interest on capital is a business can be defined as

- [A] expense

- [B] income
- [C] liability
- [D] asset

**Answer:** Option [A]

18. The ratios which reflect managerial efficiency in handling the assets is

- [A] turnover ratios
- [B] profitability ratios
- [C] short term solvency ratio
- [D] none of the above

**Answer:** Option [A]

19. Interest on capital is added with

- [A] capital
- [B] profit
- [C] loss
- [D] donation

**Answer:** Option [A]

20. The ratios which reveal the final result of the managerial policies and performance is

- [A] turnover ratios
- [B] profitability ratios
- [C] long term solvency ratio
- [D] none of the above

**Answer:** Option [B]

21. Which of the following matches with fixed assets ratio?

- [A] short-term solvency ratio
- [B] long-term solvency ratio
- [C] profitability ratio
- [D] turnover ratio

**Answer:** Option [B]

22. The ratio which determines the profitability from the shareholders point of view is

- [A] return on investment
- [B] gross profit ratio
- [C] return on shareholders funds
- [D] operating profit ratio

**Answer:** Option [C]

23. The ratio which shows the proportion of profits retained in the business out of the current year profits is

- [A] retained earnings ratio
- [B] pay out ratio
- [C] earnings per share
- [D] None

**Answer:** Option [A]

24. How the dividend is related to the market value of shares?

- [A] interest coverage ratio
- [B] fixed dividend coverage ratio
- [C] debt service coverage ratio
- [D] dividend yield ratio

**Answer:** Option [D]

25. Which ratio is calculated to ascertain the efficiency of inventory management in terms of capital investment?

- [A] stock velocity ratio
- [B] debtors velocity ratio
- [C] creditors velocity ratio
- [D] working capital turnover ratio

**Answer:** Option [A]

26. Which ratio measures the number of times the receivables are rotated in a year in terms of sales?



- [A] stock turnover ratio
- [B] debtors turnover ratio
- [C] creditors velocity ratio
- [D] working capital turnover ratio

**Answer:** Option [B]

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27. Current assets - current liabilities =

- [A] fixed capital
- [B] working capital
- [C] opening capital
- [D] closing capital

**Answer:** Option [B]

28. The ratio establishes the relationship between fixed assets and long-term funds is

- [A] current ratio
- [B] fixed assets ratio
- [C] fixed assets turnover ratio
- [D] debt equity ratio

**Answer:** Option [B]

29. A high capital gearing ratio indicates

- [A] under capitalization
- [B] over capitalization
- [C] borrowed capital
- [D] long term funds

**Answer:** Option [A]

30. Low turnover of stock ratio indicates

- [A] solvency position
- [B] monopoly situation

- [C] overinvestment in inventory
- [D] liquidity position

**Answer:** Option [C]

31. All those assets which are converted into cash in the normal course of business within one year are known as

- [A] fixed assets
- [B] current assets
- [C] fictitious assets
- [D] wasting assets

**Answer:** Option [B]

32. Any transaction between a current account and another current account does not affect

- [A] profit
- [B] funds
- [C] working capital
- [D] capital

**Answer:** Option [B]

33. Decrease in current asset

- [A] increases working capital
- [B] decreases working capital
- [C] decrease fixed capital
- [D] increase fixed capital

**Answer:** Option [B]

34. Decrease in current liability

- [A] increases working capital
- [B] decreases working capital
- [C] decreases fixed capital
- [D] ncreases fixed capital

**Answer:** Option [A]

35. Profit on sale of fixed assets is

- [A] non trading income
- [B] operating income
- [C] non trading gains
- [D] long term gain

**Answer:** Option [C]

36. In funds flow statement, funds from operations is

- [A] application of fund
- [B] source of cash
- [C] application of cash
- [D] source of fund

**Answer:** Option [D]

37. In funds flow statement, outflow of funds on account of operations is

- [A] application of fund
- [B] source of cash
- [C] application of cash
- [D] source of fund

**Answer:** Option [A]

38. In funds flow statement, repayment of long-term loans is

- [A] application of fund
- [B] source of cash
- [C] application of cash
- [D] source of fund

**Answer:** Option [A]

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39. In adjusted P & L account, depreciation on fixed assets will be

- [A] debited

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- [B] credited
- [C] ignored
- [D] deducted

**Answer:** Option [A]

40. Cash flow analysis is based on the

- [A] capital
- [B] fixed assets
- [C] cash concept of funds
- [D] working capital

**Answer:** Option [C]

41. In cash flow statement, increase in current asset

- [A] increases cash
- [B] decreases cash
- [C] increases working capital
- [D] decreases working capital

**Answer:** Option [B]

42. In cash flow statement, opening balances of bank balance is posted in which side of the statement

- [A] sources of cash
- [B] application of cash
- [C] sources of funds
- [D] application of funds

**Answer:** Option [A]

43. In cash flow statement, closing balances of bank balance is posted in which side of the statement

- [A] sources of cash
- [B] application of cash
- [C] sources of funds
- [D] application of funds

**Answer:** Option [B]

44. Production cost under marginal costing includes

- [A] prime cost only
- [B] prime cost and fixed overhead
- [C] prime cost and variable overhead
- [D] prime cost, variable overhead and fixed overhead

**Answer:** Option [C]

45. Contribution margin is equal to

- [A] fixed cost - loss
- [B] profit + variable cost
- [C] sales - fixed cost - profit
- [D] sales - profit

**Answer:** Option [A]

46. P/V Ratio is an indicator of

- [A] the rate at which goods are sold
- [B] the volume of sales
- [C] the volume of profit
- [D] the rate of profit

**Answer:** Option [D]

47. An increase in variable costs

- [A] increases p/v ratio
- [B] increases the profit
- [C] reduces contribution
- [D] increases margin of safety

**Answer:** Option [C]

48. CVP analysis is most important for the determination of

- [A] sales revenue necessary to equal fixed costs
- [B] relationship between revenues and costs at various levels of operations

- [C] variable revenues necessary to equal fixed costs
- [D] volume of operations necessary to Break-even

**Answer:** Option [A]

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- [C] variable revenues necessary to equal fixed costs
- [D] volume of operations necessary to Break-even

**Answer:** Option [A]

Questions

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1 Deewali advance given to an employee is

- A Revenue Expenditure
- B Capital Expenditure
- C Not an Expenditure
- D Deferred Revenue Expenditure

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Answer: Not an Expenditure

2 The process of recording financial data upto trial balance is

- A Classifying
- B Summarising
- C Analyzing
- D Book keeping

[View Answer](#)

Answer: Book keeping

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3 Rohit carrying on real estate business sold a piece of land for Rs.4,00,00,000 (cost Rs.3,50,00,000) then the type of receipt is nature and profit on sale is

- A Revenue & transferred to P & L a/c
- B Capital & transferred to capital reserve
- C Capital & transferred to P & L a/c
- D Revenue & transferred to general reserve

[View Answer](#)

Answer: Revenue & transferred to P & L a/c

4 Which of the following is wrong?

- A Rent is a personal account, outstanding rent is nominal account
- B All real and personal accounts are transferred to balance sheet
- C Nominal accounts are transferred to P &L account
- D Each account is opened separately in ledger

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Answer: Rent is a personal account, outstanding rent is nominal account

5 Is root cause for financial accounting

- A Social accounting
- B Management accounting
- C Human resource accounting
- D Stewardship accounting

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Answer: Stewardship accounting

6 Fixed assets are held by business for

- A Generating revenue
- B Converting into cash
- C Resale
- D None of the above

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Answer: Generating revenue

7 Which accounting concept specifies the practice of crediting closing stock to the trading account?

- A Matching
- B Cost
- C Realisation
- D Going concern

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Answer: Matching

8 Amount spent to increasing the earning capacity is a ..... expenditure

- A Capital
- B Deferred revenue
- C Capital Loss
- D Revenue

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Answer: Capital

9 Change in the capital A/c of proprietor may occur due to

- A Capital Introduced
- B Loss incurred
- C Profit earned
- D All of the above

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Answer: All of the above

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10 Provision for discount on debtors is calculated on the amount of debtors.

- A After deducting provision for doubtful debts
- B Before deducting provision for doubtful debts
- C Before deducting actual debts and provision for doubtful debts
- D After adding actual bad and doubtful debts

[View Answer](#)

Answer: After deducting provision for doubtful debts

11 Which of the following is incorrect?

- A Outstanding expenses -current asset
- B Good will intangible asset
- C Sundry debtors -current asset
- D Loose tools tangible fixed asset

[View Answer](#)

Answer: Outstanding expenses -current asset

12 The nature of financial accounting is:

- A Historical
- B Analytical
- C Social
- D Forward looking

[View Answer](#)

Answer: Historical

13 Which of the following factor is not considered while selecting accounting policies?

- A Accountancy
- B Prudence
- C Substance over form
- D Materiality

[View Answer](#)

Answer: Accountancy

14 As per accrual concept, which of the followings is not true

- A sales + gross profit = revenue

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- B revenue –profit = expenditure
- C revenue –expenditure = profit
- D revenue = profit + expenditure

[View Answer](#)

Answer: sales + gross profit = revenue

15 If nothing is written about the accounting assumption to be followed it is presumed that

- A They have not been followed
- B They are followed to some extent
- C They are followed to some extent
- D None

[View Answer](#)

Answer: They have not been followed

16 Valuation of stock in accounting follows the principle of cost price or which ever is lower.

- A Net realizable Value
- B Market Price
- C Average Price
- D None of these

[View Answer](#)

Answer: Net realizable Value

17 Which of the following is not a nominal Account?

- A Salaries account
- B Interest paid
- C Commission received
- D Outstanding salaries Account

[View Answer](#)

Answer: Outstanding salaries Account

18 Mr. X is a dealer in electronic goods (refrigerator, washing machine, air conditioners, televisions, etc.) He purchased two air conditioners and installed in his showroom. In the books of X the cost two air conditioners will be debited to

- A Fixedassets

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- B Drawing account
- C Capital Account
- D None of the above

[View Answer](#)

Answer: Fixedassets

19 For every debit there will be an equal credit according to

- A Dual aspect concept
- B Matching concept
- C Money measurement concept
- D cost concept

[View Answer](#)

Answer: Dual aspect concept

20 Historical cost concept requires the valuation of an asset at

- A Replacement value
- B Net realizable value
- C Market value
- D Original cost

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Answer: Original cost

21 The comparison of financial statement of one year with that of another is possible only when concept is followed

- A Consistency
- B Going concern
- C Accrual
- D Materiality

[View Answer](#)

Answer: Consistency

22 Which of the following is not the main objective of accounting?

- A Solving tax disputes with tax authorities
- B Systematic recording of transactions
- C Ascertaining profit or loss
- D Ascertainment of financial position

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Answer: Solving tax disputes with tax authorities

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23 An asset was purchased for Rs.1000000 with the down payment of Rs.200000 and bills accepted for Rs.800000/-What would be the effect on the total asset and total liabilities in the balance sheet?

- A Assets increased by Rs.800000 and liabilities increased by Rs.800000
- B Assets increased by Rs.1000000 and liabilities increased by Rs.800000
- C Assets decreased by Rs.800000 and liabilities increased by Rs.800000
- D Assets increased by Rs.800000 and liabilities decreased by Rs.800000

[View Answer](#)

Answer: Assets increased by Rs.800000 and liabilities increased by Rs.800000

24 Matching concept means

- A Expenses should be matched with the revenue of the period
- B Assets = capital + liabilities
- C Transactions recorded at accrual concept
- D Anticipate no profit but recognize all losses

[View Answer](#)

25 Financial accounting is concerned with –

- A Recording of day to day business transactions
- B Recording of business expenses and revenue
- C Recording of costs of products and services
- D None of the above

[View Answer](#)

Answer: Recording of day to day business transactions

26 The rule debit all expenses and losses and credit all income and gains relates to

- A Nominal accounts
- B Personal account
- C Real account
- D None of the above

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[View Answer](#)

Answer: Nominal accounts

27 Double entry system is used in which type of accounting

- A Financial
- B Cost
- C Management
- D All

[View Answer](#)

Answer: Financial

28 Rent paid to landlord should be credited to

- A Cash account
- B Rent account
- C Expense account
- D Landlords account

[View Answer](#)

Answer: Cash account

29 Cash discount allowed to a debtor should be credited to

- A Discount account
- B Customer's account
- C Sales account
- D Cash account

[View Answer](#)

Answer: Customer's account

30 Which accounting concept satisfy the valuation criteria

- A Cost, Dual aspect, Conservatism
- B Realisation, Conservatism, Going concern.
- C Going concern, Cost, Dual aspect
- D Going concern, Realisation, Cost

[View Answer](#)

Answer: Going concern, Realisation, Cost

31 In which of the following cases, accounting estimates are needed?

- A Inventory obsolescence
- B Impairment of losses
- C Employs benefit schemes
- D All of the above

[View Answer](#)

Answer: All of the above

32 In income measurement & recognition of assets & liabilities which of the following concepts goes together ?

- A Cost, Accrual, matching
- B Going concern, cost, Realization
- C Going concern, Periodicity, Reliability
- D Periodicity, Accrual, Matching

[View Answer](#)

Answer: Periodicity, Accrual, Matching

33 Interpretation means

- A Concerned with preparation and presentation of classified data
- B Systematic analysis of recorded data
- C Methodical classification of data given in Financial Statements
- D Explanation of meaning and significance of the data in Financial Statements

[View Answer](#)

Answer: Explanation of meaning and significance of the data in Financial Statements

34 A trader purchases goods for Rs. 2500000, of these 70% of goods were sold during the year. At the end of 31st December 2009, the market value of such goods were Rs. 500000. But the trader recorded in his books for Rs. 750000. Which of the following concept is violated.

- A Conservatism
- B Money measurement
- C Consistency
- D None of these

[View Answer](#)



Answer: Conservatism

35 If nothing is given in the financial statements about the three accounting assumptions then it is to be treated as it

- A Is assumed to be followed
- B Is assumed that it is not followed
- C Is assumed to be followed to some extent
- D None of the above

[View Answer](#)

Answer: Is assumed to be followed

36 The proprietor of the business is treated as creditor for the capital introduced by him due to..... concept.

- A Entity
- B Money measurement
- C Cost
- D None of these

[View Answer](#)

Answer: Entity

37 Consistency with reference to application of accounting procedures means

- A Accounting methods & procedures shall be followed uniform basis year after year
- B All companies in the same Industry should use identical accounting procedures
- C Income & assets have not been overstated
- D Any accounting method can be followed as per convenience

[View Answer](#)

Answer: Accounting methods & procedures shall be followed uniform basis year after year

38 If one of the cars purchased by a car dealer is used for business purpose, instead of resale, then it should be recorded by

- A Dr Motor Car A/c & Cr Purchases A/c
- B Dr Drawing A/c & Cr Purchases A/c
- C Dr Office Expenses A/c & Cr Motor Car A/c
- D Dr Motor Car & Cr Sales A/c

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Answer: Dr Motor Car A/c & Cr Purchases A/c

39 Human resources will not appear in the balance sheet according to \_ concept.

- A Money measurement concept
- B Accrual
- C Going concern
- D None

[View Answer](#)

Answer: Money measurement concept

40 Which of the following is not a Real Account?

- A Out standing rent A/c
- B Cash A/c
- C Investments A/c
- D Purchases A/c

[View Answer](#)

Answer: Out standing rent A/c

\_\_\_\_\_ is a specialised branch of accounting that keeps track of a company's financial transactions.

- A. Cost accounting
- B. Management accounting
- C. Financial Accounting
- D. Corporate accounting

[View Answer](#)

C. Financial Accounting

**Financial accountancy is governed by \_\_\_\_\_**

- A. local standards only
- B. international standards

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C. local as well as international accounting standards

D. company's internal top management only

View Answer

C. local as well as international accounting standards

\_\_\_\_\_ is the scope of financial accounting.

A. Collection and processing of data

B. Verifying or auditing data

C. Publishing data

D. All of the above

View Answer

D. All of the above

**Which is not a benefit of financial accounting?**

A. Maintaining systematic records

B. Protecting and safeguarding business assets

C. Historical in nature

D. Facilitates rational decision making

View Answer

C. Historical in nature

**Which is not a limitation of financial accounting?**

A. Inadequate information to fix up the price of products manufactured

B. Lack of data for comparison of cost of operation of the firm with other firms in the industry

C. The data available is historical in nature

D. Complies with the various legal requirements

View Answer

D. Complies with the various legal requirements

**The overriding purpose of financial accounting is to summarize financial activity in business in the \_\_\_\_\_**

A. profit and loss statement

B. balance sheet

C. cash flow statement

D. all of the above

View Answer

D. all of the above

**\_\_\_\_\_ are the basis of the business's financial accounting.**

A. Accounting records

B. Bookkeeping

C. Sales Volume

D. Both A & B

View Answer

D. Both A & B

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**Financial accounting provides accounting information to the \_\_\_\_\_ though the information is useful for internal purposes also.**

A. external users

B. internal users

C. company

D. competitors

View Answer

A. external users

**Financial accounting reports to the \_\_\_\_\_ after the completion of the accounting year.**

A. internal management

B. external parties

C. Media

D. rivals

View Answer

B. external parties

**Financial accounting reports include \_\_\_\_\_**

A. profit and loss account

B. directors report

C. balance sheet and auditors report

D. all of the above

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View Answer

D. all of the above

**Financial accounting cover overall performance of the \_\_\_\_\_**

A. Competitors

B. Market

C. Company

D. Finance department

View Answer

C. Company

**Financial accounting reports lay greater emphasis on the \_\_\_\_\_**

A. objectivity of data

B. Flexibility of data

C. Relevancy of data

D. Subjectivity of data

View Answer

A. objectivity of data

**Presentation of of financial accounting reports is mandatory under the provisions of of section 209 (1), 210 (1) and 216, 217 of \_\_\_\_\_**

A. the business act 1956

B. the companies act 1956

C. the company act 1965

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D. the company 2016

View Answer

B. the companies act 1956

**Select the correct answer.**

A. financial accounting reports generally govern accepted accounting principles

B. Generally accepted accounting principles governing financial accounting reports

C. Generally accepted accounting principles does not governing financial accounting reports

D. There is no relation between Generally accepted accounting principles and financial accounting reports

View Answer

B. Generally accepted accounting principles governing financial accounting reports

**Financial accounting statements are subject to \_\_\_\_\_**

A. Cost audit

B. Forensic audit

C. Statutory audit

D. Non statutory audit

View Answer

C. Statutory audit

**The annual reports are to be prepared and published for circulation among the external end users such as \_\_\_\_\_**

- A. Company, competitors, contributors and colleagues
- B. Customers, creators, collaborators and contractors
- C. Government, competitors, owners and top management
- D. shareholders, investors, bankers, debenture holders and creditors

View Answer

- D. shareholders, investors, bankers, debenture holders and creditors

**\_\_\_\_\_ is a structured representation of the financial performance and financial position of a business and changes over a period of time.**

- A. Profit and loss account
- B. Financial statement
- C. Balance sheet
- D. Internal audit

View Answer

- B. Financial statement

**\_\_\_\_\_ are the components of financial statements.**

- A. profit and loss account and balance sheet
- B. cash flow and fund flow statement
- C. notes and schedules
- D. All of the above



View Answer

D. All of the above

\_\_\_\_\_ **explain the financial position of the reporting entity at the end of the accounting period.**

A. Balance sheet

B. Income statement

C. ledger

D. Notes & schedules

View Answer

A. Balance sheet

\_\_\_\_\_ **helps to find out the profit made on loss sustained in a particular accounting period through transactions and events.**

A. Income statement

B. Profit and loss account

C. Trading account

D. None of the above

View Answer

B. Profit and loss account

\_\_\_\_\_ **is not a primary source of long-term debt financing.**

A. Accounts payable

B. Notes payable

C. Leases

D. Bonds

View Answer

A. Accounts payable

**Cash flow is also known as \_\_\_\_\_**

A. balance sheet flow

B. profit and loss account

C. fund flow statement

D. notes and schedules

View Answer

C. fund flow statement

**\_\_\_\_\_ is used to analyse the pattern of movement or activity during the period to identify the way the enterprise has generated cash and the way they have been used in an accounting period.**

A. Balance sheet

B. Cash flow

C. Profit & Loss a/c

D. income statement

View Answer

B. Cash flow

**Notes and schedules is used to present supplementary information explaining different items of financial statements.**

- A. balance sheet flow
- B. profit and loss account
- C. fund flow statement
- D. notes and schedules

View Answer

- D. notes and schedules

**\_\_\_\_\_ is a written evidence in support of a business transaction.**

- A. Ledger
- B. Voucher
- C. Ledger Posting
- D. Journal

View Answer

- B. Voucher

**Notes and schedules include disclosures about the risk and uncertainties affecting the enterprise and such items as disclosure of \_\_\_\_\_**

- A. accounting policies segment reports
- B. report of operations in the process of discontinuation
- C. Both A & B
- D. None of the above

View Answer

**Trademark, Copyrights & Patents are \_\_\_\_\_ assets.**

A. Intangible

B. Fixed

C. Current

D. Tangible

View Answer

A. Intangible

**Capital increases if \_\_\_\_\_**

A. cost increases

B. Expenses increases

C. Revenue increases

D. Interest on capital increases

View Answer

C. Revenue increases

**Current assets minus current liabilities is equal to \_\_\_\_\_**

A. losing capital

B. gaining capital

C. fixed capital

D. working capital

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View Answer

D. working capital

**A \_\_\_\_\_ can also be referred to as a tangible asset.**

A. liquid asset

B. fixed asset

C. current asset

D. other asset

View Answer

B. fixed asset

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