

1. The ledger folio column of a journal is used to:

- (a) Record the date on which amount is posted to a ledger account.
- (b) Record the number of the ledger account to which information is posted.
- (c) Record the number of amounts posted to the ledger account.
- (d) Record the page number of the ledger account.

2. The journal entry to record the sale of services on credit should include:

- (a) Debit to debtors and credit to capital.
- (b) Debit to cash and credit to debtors.
- (c) Debit to fees income and credit to debtors.
- (d) Debit to debtors and credit to fees income.

3. The journal entry to record the purchase of equipment for ₹ 2,00,000 cash and a balance of ₹ 8,00,000 due in 30 days includes:

- (a) Debit equipment for ₹ 2,00,000 and credit cash ₹ 2,00,000.
- (b) Debit equipment for ₹ 10,00,000 and credit cash ₹ 2,00,000 and creditors ₹ 8,00,000.
- (c) Debit equipment ₹ 2,00,000 and credit debtors ₹ 8,00,000.
- (d) Debit equipment ₹ 10,00,000 and credit cash ₹ 10,00,000.

4. When an entry is made in a journal:

- (a) Assets are listed first.
- (b) Accounts to be debited are listed first.

(c) Accounts to be credited are listed first.

(d) Accounts may be listed in any order.

5. If a transaction is properly analyzed and recorded:

(a) Only two accounts will be used to record the transaction.

(b) One account will be used to record the transaction.

(c) One account balance will increase and another will decrease.

(d) Total amount debited will equal total amount credited.

6. The journal entry to record the payment of a monthly bill will include:

(a) Debit monthly bill and credit capital.

(b) Debit capital and credit cash.

(c) Debit monthly bill and credit cash.

(d) Debit monthly bill and credit creditors.

7. The journal entry to record salaries will include:

(a) Debit salaries and credit cash.

(b) Debit capital and credit cash.

(c) Debit cash and credit salary.

(d) Debit salary and credit creditors.

8. Issued a cheque for ₹8,000 to pay rent. The account to be debited is:

(a) Rent account

(b) Cash account

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(c) Bank account

(d) Expense account

**9. Collected ₹35,000 from debtors. The account to be credited is:**

(a) Cash account

(b) Debtors account

(c) Revenue account

(d) Bank account

**10. Purchased office stationery for ₹18,000. The account to be credited is:**

(a) Stationery account

(b) Cash account

(c) Bank account

(d) Expense account

**11. Purchased new machine for ₹1,70,000 and issued a cheque for the same. The account to be debited is:**

(a) Machine account

(b) Cash account

(c) Bank account

(d) Asset account

**12. Issued cheque for ₹70,000 to pay off one of the creditors. The account to be debited is:**

(a) Creditors account

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(b) Cash account

(c) Bank account

(d) Loan account

**13. Returned damaged office stationery and received ₹50,000.**

**The account to be credited is:**

(a) Cash account

(b) Stationery account

(c) Bank account

(d) Supplier account

**14. Provided services for ₹65,000 on credit. The account to be debited is:**

(a) Revenue account

(b) Cash account

(c) Debtors account

(d) Bank account

**15. Voucher is prepared for:**

(a) Cash received and paid

(b) Cash/Credit sales

(c) Cash/Credit purchase

(d) All of the above

**16. Voucher is prepared from:**

(a) Documentary evidence

(b) Journal entry

(c) Ledger account

(d) All of the above

**17. How many sides does an account have?**

(a) Two

(b) Three

(c) One

(d) None of These

**18. A purchase of a machine for cash should be debited to:**

(a) Cash account

(b) Machine account

(c) Purchase account

(d) None of these

**19. Which of the following is correct?**

(a) Liabilities = Assets + Capital

(b) Assets = Liabilities – Capital

(c) Capital = Assets – Liabilities

(d) Capital = Assets + Liabilities

**20. Cash withdrawn by the Proprietor should be credited to:**

(a) Drawings account

(b) Capital account

(c) Profit and loss account

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(d) Cash account

21. Find the correct statement:

- (a) Credit a decrease in assets
- (b) Credit the increase in expenses
- (c) Debit the increase in revenue
- (d) Credit the increase in capital

22. The book in which all accounts are maintained is known as:

- (a) Cash Book
- (b) Journal
- (c) Purchases Book
- (d) Ledger

23. Recording of transactions in the Journal is called:

- (a) Casting
- (b) Posting
- (c) Journalising
- (d) Recording

Answers:

1. (d) Record the page number of the ledger account.
2. (d) Debit to debtors and credit to fees income.
3. (b) Debit equipment for ₹ 10,00,000 and credit cash ₹ 2,00,000 and creditors ₹ 8,00,000.

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4. (b) Accounts to be debited are listed first.
 5. (d) Total amount debited will equal total amount credited.
 6. (c) Debit monthly bill and credit cash.
 7. (a) Debit salaries and credit cash.
 8. (a) Rent account
 9. (b) Debtors account
 10. (c) Bank account
 11. (a) Machine account
 12. (a) Creditors account
 13. (b) Stationery account
 14. (c) Debtors account
 15. (d) All of the above
 16. (d) All of the above
 17. (a) Two
 18. (b) Machine account
 19. (c) $\text{Capital} = \text{Assets} - \text{Liabilities}$
 20. (d) Cash account
 21. (d) Credit the increase in capital
 22. (d) Ledger
 23. (c) Journalising