



Dr.G.R.Damodaran College of Science

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CRISL rated 'A' (TN) for MBA and MIB Programmes

I B.COM (E.COM) [2017-2020]

Semester I

Core: PRINCIPLES OF ACCOUNTING – 104C

Multiple Choice Questions.

1. Book Keeping means _____

- A. Classifying
- B. Recording
- C. Summarising
- D. None of these

ANSWER: B

2. Which one is current assets?

- A. Building
- B. Furniture
- C. Stock
- D. Investment

ANSWER: C

3. Bank account is _____

- A. Nominal account
- B. Real account
- C. Personal account
- D. none of these above

ANSWER: C

4. Drawings account is related to _____

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

ANSWER: B

5. Which of the following is related to nominal account?

- A. Bank account.
- B. Commission account.
- C. Furniture account.
- D. Interest received account

ANSWER: B

6. Goodwill account is related to _____

- A. Nominal account.
- B. Personal account.
- C. Real account .
- D. Tangible account.

ANSWER: C

7. Prepaid insurance is _____

- A. Nominal account.
- B. Personal account.
- C. Real account.
- D. Prepaid account.

ANSWER: B

8. Goods destroyed by fire should be credited to _____

- A. Purchases account.
- B. Sales account.
- C. Loss of goods by fire account.
- D. Insurance account.

ANSWER: A

9. The credit balance of bank account indicates _____

- A. amount payable by the bank.
- B. amount payable to the bank.
- C. cash at bank.
- D. loan from bank.

ANSWER: B

10. Returns outward book makes a record of _____

- A. goods returned to the suppliers.
- B. goods returned to customers.
- C. goods returned to proprietor.
- D. goods returned to neighbors.

ANSWER: A

11. Cash book prepared on imprest system is _____

- A. two column cash book.
- B. cash book.
- C. petty cash book
- D. purchase book.

ANSWER: C

12. The statement sent along with purchase return is _____

- A. credit note.
- B. bills payable book.
- C. debit note.
- D. purchases return book.

ANSWER: A

13. A bank reconciliation statement is prepared by ____.

- A. customer of the bank.
- B. bank
- C. neither of the above two.
- D. reserve bank of India.

ANSWER: A

14. Errors which affect one account can be _____

- A. errors of omission.
- B. errors of principle.
- C. errors of posting.
- D. error of commission.

ANSWER: C

15. Errors of carry forward from one year to another year affect _____

- A. personal account
- B. real account.
- C. nominal account.
- D. both personal and real account.

ANSWER: A

16. Error of commission do not allow _____

- A. correct totalling of the balance sheet.
- B. correct totaling of the trial balance.
- C. the trail balance to agree.
- D. correct totaling of the day book.

ANSWER: C

17. Depreciation is provided on _____

- A. working capital
- B. current assets
- C. fixed assets
- D. intangible assets.

ANSWER: C

18. Heavy advertising to launch a new product is a _____

- A. capital expenditure.
- B. deferred revenue expenditure
- C. other expenditure.
- D. revenue expenditure

ANSWER: C

19. Accounts receivable includes _____

- A. sundry debtors.
- B. bill receivable.
- C. promissory note.

D. all of the above.

ANSWER: D

20. Provision for bad debts is calculated on _____

- A. creditors.
- B. Sales.
- C. Purchases.
- D. Debtors.

ANSWER: D

21. An example of revenue expenditure is _____

- A. Purchase of land.
- B. Salaries.
- C. Lease.
- D. Purchase of buildings.

ANSWER: B

22. Bills are drawn by _____

- A. Creditors.
- B. Debtors.
- C. Agent.
- D. Brokers.

ANSWER: C

23. While discounting the bill, debit should be given to _____

- A. bank account.
- B. bill receivable account.
- C. acceptors account.
- D. cash account.

ANSWER: A

24. Cancelling the original bill and drawing a fresh acceptance is known as _____.

- A. retiring under rebate.
- B. Discounting.
- C. Renewal.
- D. bill sent to bank for collection .

ANSWER: C

25. At the time of endorsement of a bill, the drawer credits _____

- A. the drawee.
- B. endorsees personal account.
- C. bills receivable account.
- D. bills for collection account.

ANSWER: C

26. When a bill is discharged, the acceptor debits _____

- A. Creditors account.
- B. Cash account.

- C. Bills payable account.
- D. Bills receivable account.

ANSWER: C

27. Average due date can be called as _____

- A. mean due date.
- B. median due date.
- C. mode due date.
- D. zero date.

ANSWER: A

28. Account current is a journal:

- A. True.
- B. False.
- C. Partly true.
- D. Partly false.

ANSWER: B

29. The Letter "c" is shown in the Cash book which means _____

- A. consignment
- B. Commitment
- C. Contra Entry
- D. Cash entry

ANSWER: C

30. In accounting the benefit receiving aspect is said to be

- A. Debit
- B. Credit
- C. Debit and Credit
- D. none of these

ANSWER: A

31. In accounting, the benefit giving aspect is said to be

- A. Debit
- B. Credit
- C. Debit and Credit
- D. None of these

ANSWER: B

32. Capital =

- A. Asset - Liabilities
- B. Asset
- C. Liabilities
- D. All the above

ANSWER: A

33. Drawings account is _____

- A. Real account

- B. Personal account
- C. Nominal account
- D. None of these

ANSWER: B

34. Daily Record of Transaction means

- A. Ledger
- B. Journal
- C. Trial Balance
- D. None of these

ANSWER: B

35. Summary of all balances is known as

- A. Ledger
- B. Journal
- C. Subsidiary books
- D. Trial Balance

ANSWER: D

36. The person who writes out the bill of exchange is known as

- A. Payee
- B. Drawee
- C. Drawer
- D. Acceptor

ANSWER: C

37. The person upon whom the bill of exchange is drawn is called _____

- A. Drawee
- B. Drawer
- C. Payee
- D. Maker

ANSWER: A

38. The person to whom the amount has to be paid is known as _____

- A. Drawee
- B. Drawer
- C. Acceptor
- D. Payee

ANSWER: D

39. The holder of a bill who endorses it is called

- A. Endorser
- B. Endorsee
- C. Acceptor
- D. Payee

ANSWER: A

40. Which one the following is an example of an intangible asset?

- A. Preliminary expenses.
- B. Discount on issue of debentures.
- C. Investments.
- D. Copyrights.

ANSWER: D

41. The excess of current assets over current liabilities is called _____.

- A. Net tangible worth.
- B. Networth.
- C. Gross working capital.
- D. Net working capital.

ANSWER: C

42. The discount column of a triple column cash book records _____.

- A. trade discount.
- B. cash discount.
- C. quantity discount.
- D. seasonal discount.

ANSWER: B

43. When furniture is sold for cash, the entry should be made in _____.

- A. sales book .
- B. cash book.
- C. Journal.
- D. petty cash book..

ANSWER: B

44. Which one of the following is an example of personal account?

- A. Capital account.
- B. Building account.
- C. Cash account.
- D. Investment account.

ANSWER: A

45. The appropriate book to record credit purchase of machinery is _____.

- A. purchases book.
- B. journal .
- C. cash book.
- D. petty cash book

ANSWER: B

46. Bills payable book is a _____.

- A. subsidiary
- B. a. principal book.
- C. a. ledger.
- D. a. memorandum book.

ANSWER: A

47. The balance of the petty cash book is _____.

- A. an asset.
- B. a liability.
- C. an income .
- D. an expenditure.

ANSWER: A

48. The balance of cash account indicates _____.

- A. net income for the period.
- B. net loss for the period.
- C. net cash on hand.
- D. net worth of the business.

ANSWER: C

49. Which account is generally used for rectification of errors?

- A. Memorandum account.
- B. Suspense account.
- C. Rectification account.
- D. Adjustment account .

ANSWER: B

50. Bank Reconciliation statement is _____

- A. ledger account.
- B. part of the cash book.
- C. separate statement.
- D. a sub division of the journal.

ANSWER: C

51. A Cheque received and paid into the bank on the same day id recorded in the _____.

- A. a. cash column of the cash book.
- B. a. bank column of the cash book.
- C. a. both the cash and bank columns of the book.
- D. a. the credit balance as per pass book.

ANSWER: B

52. Revenue expenditure is intended to benefit _____.

- A. current period.
- B. future period.
- C. past period.
- D. both (1) and (2).

ANSWER: A

53. The distinction between capital and revenue is necessary for the preparation of _____.

- A. fund flow statement.
- B. receipts and payment account.
- C. final accounts.
- D. cash flow statement.

ANSWER: B

54. Any expenditure incurred in order to reduce the operating expenses is _____.

- A. capital expenditure.
- B. revenue expenditure.
- C. deferred revenue expenditure.
- D. promotional expenditure.

ANSWER: A

55. Wages paid for erection of machinery are debited to _____.

- A. Wages account.
- B. Machinery account.
- C. Profit and loss account.
- D. Deferred wages account.

ANSWER: B

56. Premium received on issue of shares is a _____.

- A. capital receipt.
- B. revenue receipt.
- C. deferred capital receipt.
- D. deferred revenue receipt.

ANSWER: A

57. Amount paid for acquiring goodwill is _____.

- A. revenue expenditure.
- B. deferred revenue expenditure.
- C. capital expenditure.
- D. deferred capital expenditure.

ANSWER: D

58. The person to whom the bill is endorsed is called _____

- A. Endorser
- B. Endorsee
- C. Drawer
- D. Drawee

ANSWER: B

59. The method of account current usually employed by the banker is known as _____.

- A. Daily balance method.
- B. Red ink interest.
- C. Current account.
- D. Product method.

ANSWER: A

60. If payment is made on the average due date it results in _____

- A. loss of interest to the creditor.
- B. loss of interest to the debtor.
- C. no loss of interest to either of them.
- D. loss of interest to both the creditor and debtor.

ANSWER: C

61. Purchases made on credit not recorded at all would affect _____.

- A. Purchases account.
- B. Suppliers account.
- C. Purchases account and suppliers account.
- D. Wages account.

ANSWER: C

62. Purchase journal is kept to record _____.

- A. cash sales.
- B. credit sales of assets.
- C. credit sales of goods.
- D. credit purchases

ANSWER: C

63. A credit sale of goods to Shiva should be debited to _____.

- A. Sales account.
- B. Goods account.
- C. Shiva account
- D. Purchase account.

ANSWER: C

64. A sale of goods to vidhya for cash should be debited to _____.

- A. Vidhya account.
- B. Cash account.
- C. Sale of goods account
- D. Purchases account.

ANSWER: B

65. The preparation of a Trial balance helps in _____.

- A. locating errors in principle.
- B. locating errors of omission.
- C. locating clerical errors.
- D. locating compensatory errors.

ANSWER: C

66. A Cheque received and deposited in the bank on the same day is recorded in the _____.

- A. cash column of the cash book.
- B. bank column of the cash book.
- C. credited in the cash book.
- D. debited in the cash book

ANSWER: B

67. Petty cash may be used to pay _____.

- A. the expenses relating to postage and conveyance.
- B. salaries and wages to the final staff.
- C. for the purchase of furniture and fittings.

D. other recurring expenses

ANSWER: A

68. Which item is shown on the debit side of a trial balance?

- A. Rent outstanding.
- B. Prepaid expenses.
- C. Purchases returns.
- D. Excess of income over expenses by the firm.

ANSWER: B

69. Purchases for office furniture on account is recorded in _____.

- A. general journal.
- B. cash book.
- C. purchases book.
- D. sales book.

ANSWER: B

70. Any donation received for a specific purpose is a _____.

- A. Liability.
- B. Assets.
- C. revenue receipts
- D. capital receipts.

ANSWER: D

71. Expenditure incurred by a publisher for acquiring copyrights is a _____.

- A. capital expenditure.
- B. reserve expenditure.
- C. deferred reserve expenditure
- D. capital receipts.

ANSWER: A

72. Which one of the following is capital expenditure?

- A. Cost of advertisement.
- B. Purchase of a delivery van.
- C. Purchase of raw material.
- D. Purchase of machine oil.

ANSWER: B

73. Expenditure incurred on research is an example of _____.

- A. capital expenditure.
- B. revenue expenditure.
- C. deferred revenue expenditure.
- D. partly capital expenditure

ANSWER: C

74. Payment of compensation to a worker who has been discharged from service is a _____.

- A. capital expenditure.
- B. revenue expenditure.

- C. deferred revenue expenditure.
- D. partly capital expenditure.

ANSWER: B

75. The _____ in a ledger helps in locating the accounts contained in it.

- A. Folio.
- B. Pages.
- C. serial numbers
- D. part numbers

ANSWER: A

76. Ledger is also called _____.

- A. principal book of accounts.
- B. cash books
- C. subsidiary books.
- D. petty cash book

ANSWER: A

77. Purchase of Typewriter would result in _____ of fund.

- A. Change.
- B. application.
- C. Service.
- D. no flow.

ANSWER: C

78. The following items are shown in profit and loss appropriation account _____

- A. Dividend declared.
- B. Discount on issue of shares.
- C. Non-operating expenses.
- D. Current assets.

ANSWER: A

79. The assets of a business can be classified as _____.

- A. only fixed assets.
- B. only current assets.
- C. fixed and current assets.
- D. fictitious assets.

ANSWER: C

80. A gross profit is transferred to the _____ side of the profit and loss account.

- A. Debit.
- B. Credit.
- C. Current.
- D. Asset.

ANSWER: B

81. Rs. 500 spent on servicing office typewriter should be debited to _____.

- A. Miscellaneous expenses account.

- B. Typewriter account.
- C. Repairs account.
- D. Services account.

ANSWER: C

82. Wages paid to workers must be debited to _____ account

- A. Wages .
- B. Machinery.
- C. Factory expenses.
- D. Offices expenses.

ANSWER: A

83. Interest on capital is credited to _____ account.

- A. Expenses account.
- B. Income account.
- C. Capital account.
- D. Asset account.

ANSWER: C

84. Depreciation deducted from the concerned _____.

- A. Liability.
- B. Asset.
- C. Expenses.
- D. Incomes.

ANSWER: B

85. Receipts and payments account is a _____.

- A. Personal account.
- B. Nominal account.
- C. Real account.
- D. Representative account.

ANSWER: B

86. Receipts and payment account record receipt and payments of _____.

- A. revenue nature only.
- B. capital nature only.
- C. both revenue and capital nature.
- D. capital receipts.

ANSWER: C

87. The receipts and payments account begins with _____.

- A. debit balance.
- B. credit balance.
- C. no balance.
- D. normal balance.

ANSWER: A

88. Non-trading institutions prepare _____.

- A. Income and expenditure account.
- B. Trading and profit and loss account.
- C. Only trading account.
- D. Only revenue account

ANSWER: A

89. Subscription received in advance by a club is shown on the _____ side of the balance sheet.

- A. Liabilities.
- B. Assets.
- C. credit .
- D. debit.

ANSWER: A

90. Excess of income over expenditure is shown on the _____ side of income and expenditure account.

- A. Credit.
- B. Debit.
- C. Upper.
- D. Lower.

ANSWER: B

91. In a receipts and payments account the payments are recorded on the _____ side.

- A. credit .
- B. debit.
- C. Upper.
- D. Lower.

ANSWER: A

92. A debit balance in the income and expenditure account denotes excess of _____ over _____.

- A. income, expenditure.
- B. assets, liabilities.
- C. liabilities, assets.
- D. expenditure, incomes

ANSWER: D

93. Any amount received towards endowment fund is a _____ receipt.

- A. Ordinary.
- B. Special.
- C. Revenue.
- D. Capital

ANSWER: D

94. Interest received on special fund investments will be added to _____ fund in the balance sheet.

- A. investment fund.
- B. bank fund.
- C. General.
- D. special

ANSWER: D

95. Subscriptions received in advance will figure in the _____.

- A. balance sheet.
- B. receipts and payment account.
- C. income and expenditure account.
- D. revenue account.

ANSWER: A

96. Any revenue expense for when a separate fund is available will be _____.

- A. debited to the separate fund.
- B. debited to income and expenditure account.
- C. capital issued and shown in the balance sheet.
- D. credited to the separate fund.

ANSWER: A

97. Sales of old material must be shown on the credit side of _____.

- A. cash book.
- B. income and expenditure account.
- C. balance sheet .
- D. trading account.

ANSWER: B

98. The information for the preparation of receipt and payments account is taken from_____.

- A. cash book.
- B. income and expenditure.
- C. cash book and balance sheet.
- D. revenue account.

ANSWER: A

99. Income and expenditure account is a _____.

- A. Real account.
- B. Nominal account.
- C. Personal account.
- D. Representative account.

ANSWER: B

100. Which of the following items should not be entered in receipts and payments account of a club?

- A. Sale of old newspaper.
- B. Loss on sale of old furniture.
- C. Subscriptions received in advance.
- D. Expenses for previous year.

ANSWER: B

101. Donations received by a non-profit organisation are usually a _____.

- A. revenue receipt.
- B. capital receipt.
- C. capital expenditure.
- D. revenue expenditure

ANSWER: A

102. Sale of old newspaper is to be shown on the credit side of the_____.

- A. cash book.
- B. income and expenditure.
- C. balance sheet.
- D. trading account.

ANSWER: B

103. Specific donations received by a non-trading concern are usually _____.

- A. revenue receipt.
- B. capital receipt.
- C. capital expenditure
- D. revenue expenditure.

ANSWER: B

104. Any profit on the sale of furniture of a cricket club will be taken to _____.

- A. income and expenditure account.
- B. cash account.
- C. profit and loss account.
- D. furniture account.

ANSWER: A

105. Non-trading institutions prepare _____.

- A. profit and loss account.
- B. trading account.
- C. manufacturing account
- D. income and expenditure account.

ANSWER: D

106. Income and expenditure account reveals _____.

- A. cash in hand.
- B. surplus or deficiency.
- C. capital account
- D. a. revenue account.

ANSWER: B

107. Subscription received in advance is _____.

- A. an income.
- B. an asset .
- C. a liability.
- D. an expense.

ANSWER: C

108. The main purpose of this _____ accounting is to ascertain profit or loss during a specific period, to show financial position of the business.

- A. financial accounting .
- B. cost accounting.
- C. management account.

D. human resource accounting.

ANSWER: A

109. The main aim of _____ accounting is to ascertain cost relating to the various activities of the business and to have cost control.

A. financial accounting .

B. cost accounting.

C. management account.

D. human resource accounting.

ANSWER: B

110. Any written document in support of a business transaction is called a _____.

A. Voucher.

B. Bill.

C. Carbon copy.

D. Expense bill.

ANSWER: A

111. _____ is given to promote sales.

A. Cash discount.

B. Trade discount.

C. Quantity discount.

D. Price discount.

ANSWER: B

112. _____ is allowed to encourage early cash payment.

A. Cash discount.

B. Trade discount.

C. Quantity discount.

D. Price discount.

ANSWER: A

113. The process of recording financial transactions in the journal is called _____

A. Journalizing.

B. Utilizing.

C. Posting.

D. Balancing.

ANSWER: A

114. Bills Receivable book is to keep record of _____.

A. a. bills received from customers.

B. a. bills received from supplier.

C. a. credit purchases.

D. a. credit sales.

ANSWER: A

115. Bills payable book is to keep a record of _____.

A. bills payable to creditors.

- B. bills received from supplier.
- C. credit purchases.
- D. credit sales.

ANSWER: A

116. The prime function of accounting is to _____

- A. record economic data.
- B. provide the informational basis for action.
- C. classifying and recording business transactions.
- D. attain non-economic goals.

ANSWER: C

117. The basic function of financial accounting is to _____

- A. record all business transactions.
- B. interpret the financial data.
- C. assist the management in performing functions effectively.
- D. information to management.

ANSWER: A

118. Book-keeping is mainly concerned with _____

- A. recording of financial data relating to business operations.
- B. designing the system in recording, classifying, summarizing the recorded data.
- C. interpreting the data for internal and external end users.
- D. only for internal purposes.

ANSWER: A

119. Accounting principles are generally based on _____

- A. practicability.
- B. Subjectivity.
- C. convenience in recording.
- D. Applicability.

ANSWER: A

120. The system of recording transactions based on dual aspect concept is called _____

- A. double account system.
- B. double entry system.
- C. single entry system.
- D. single account system.

ANSWER: B

121. The amount brought in by the proprietor in the business should be credited to:

- A. cash account.
- B. capital account.
- C. drawing account.
- D. bank account.

ANSWER: B

122. Ledger is a book of _____

- A. original entry.
- B. final entry.
- C. all cash entry.
- D. all credit entry.

ANSWER: B

123. Purchase of machinery is recorded in _____

- A. sales book.
- B. journal proper.
- C. purchases book.
- D. sales returns book.

ANSWER: B

124. Credit sales are recorded in _____

- A. sales book.
- B. cash book.
- C. journal proper.
- D. purchases book.

ANSWER: A

125. The cash book records _____

- A. all cash payments.
- B. all cash receipts.
- C. all cash receipts and payments.
- D. only credit payments.

ANSWER: C

126. If a cheque sent for collection is dishonoured, the debit is given to _____

- A. suppliers account.
- B. bank account.
- C. customers account.
- D. cash account.

ANSWER: C

127. In triple column cash book, cash withdrawn from bank for office use will appear in _____

- A. debit side of the cash book only.
- B. both sides of the cash book.
- C. credit side of the cash book only.
- D. credit side of the bank account

ANSWER: B

128. Bank reconciliation statement is prepared by the _____

- A. bank.
- B. creditors of a business.
- C. customer of a bank.
- D. Suppliers.

ANSWER: C

129. Debit balance in cash book means _____

- A. overdraft as per pass book.
- B. overdraft as per cash book.
- C. credit balance as per pass book.
- D. debit balance as per day book.

ANSWER: C

130. A bank pass book is a copy of _____

- A. the cash column of a customers cash book.
- B. the bank column of a customers cash book.
- C. the customers account in the banks ledger.
- D. the customer account in the suppliers ledger.

ANSWER: C

131. Errors which affect one side of an account are called _____

- A. single sided errors.
- B. double sided errors.
- C. triple sided errors.
- D. a. compensation errors.

ANSWER: A

132. State which of the following errors will not be revealed by the trial balance _____

- A. errors of complete omission.
- B. errors of carrying forward.
- C. wrong totaling of the purchases book.
- D. error of partial omission.

ANSWER: A

133. Revenue receipts are _____ in the business.

- A. non-recurring.
- B. Recurring.
- C. Accumulating.
- D. non-accumulating.

ANSWER: B

134. The appropriate book to record credit purchase of machinery is _____.

- A. purchases book.
- B. journal .
- C. cash book.
- D. petty cash book

ANSWER: A

135. Bills payable book is a _____.

- A. subsidiary book.
- B. principal book.
- C. ledger.
- D. memorandum book.

ANSWER: B

136. The balance of the petty cash book is _____.

- A. an asset.
- B. a liability.
- C. an income .
- D. an expenditure.

ANSWER: A

137. The balance of cash account indicates _____.

- A. . net income for the period.
- B. net loss for the period.
- C. net cash on hand.
- D. net worth of the business.

ANSWER: C

138. Which account is generally used for rectification of errors?

- A. Memorandum account.
- B. Suspense account.
- C. Rectification account.
- D. Adjustment account .

ANSWER: B

139. Preliminary expenses are an example of _____

- A. deferred Revenue Expenditure.
- B. revenue Expenditure.
- C. capital Expenditure.
- D. common expenditure.

ANSWER: B

140. Trading account is prepared to find out _____

- A. gross profit or loss.
- B. net profit or loss .
- C. financial position.
- D. position of the partners.

ANSWER: A

141. Outstanding salaries are shown as _____

- A. an expense.
- B. a liability.
- C. an asset.
- D. an income.

ANSWER: B

142. Interest on drawings is _____

- A. expenditure for the business.
- B. expense for the business.
- C. gain for the business.
- D. loss for the business.

ANSWER: C

143. Balance sheet is a _____

- A. statement.
- B. Account.
- C. Ledger.
- D. Book.

ANSWER: A

144. Wages is an example of _____

- A. capital expenses.
- B. indirect expenses.
- C. direct expenses.
- D. revenue expenses.

ANSWER: C

145. A bill of exchange payable after a certain period is known as _____ bill.

- A. Time.
- B. accommodation .
- C. revenue.
- D. Dishonored.

ANSWER: A

146. A bill drawn and accepted for a genuine trade transaction is termed as a _____ bill.

- A. Trade.
- B. Time.
- C. Inland.
- D. Personal.

ANSWER: A

147. A bill which is not an inland bill is a _____ bill.

- A. Outward.
- B. inward.
- C. Foreign.
- D. New.

ANSWER: C

148. A person who draws a bill of exchange is known as the _____

- A. Drawee.
- B. Drawer.
- C. Payer.
- D. Payee.

ANSWER: B

149. A bill drawn and accepted for providing funds to a friend in need is known as _____

- A. Cheque.
- B. promissory note.
- C. accommodation bill.

D. demand bill.

ANSWER: C

150. Donations received for a special purpose will be taken to _____

- A. income and expenditure account.
- B. asset side of the balance sheet.
- C. liabilities side of the balance sheet.
- D. debit side of the ledger.

ANSWER: C

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