



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-accredited at the 'A' Grade Level by the NAAC and ISO 9001:2008 Certified CRISL rated 'A' (TN) for MBA and MIB Programmes

I B.Com(CS) [2017-2020]

Semester I

Core: Financial Accounting I - 105A

Multiple Choice Questions.

1. Debit Means:

- A. Decrease in asset.
- B. Increase in liability.
- C. An entry on the left hand side of an account.
- D. Moderate increase in liability.

ANSWER: C

2. Drawings account is related to:

- A. Nominal Account.
- B. Personal Account.
- C. Real Account.
- D. Company drawings account.

ANSWER: B

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

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

ANSWER: B

4. Goodwill account is related to:

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

ANSWER: C

5. Prepaid insurance is:

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

ANSWER: B

6. In book-keeping posting means:

- A. to record the transactions from the journal to ledger.

- B. to record the transactions in the journal.
- C. to record the transactions in the subsidiary books.
- D. . to record the transactions in the cash book.

ANSWER: A

7. The basic rule of book keeping, debit the receiver and credit the giver is applicable to:

- A. nominal account.
- B. real account.
- C. personal account.
- D. drawing account.

ANSWER: C

8. Goods of the value of Rs. 1500 taken by the proprietor for his personal use should be debited to:

- A. drawing account.
- B. sales account.
- C. purchases account.
- D. stock account.

ANSWER: A

9. 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

10. Which of the following books should be used to record purchase of furniture on credit?

- A. Cash book.
- B. Journal proper.
- C. Purchases book.
- D. Sales book.

ANSWER: B

11. 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

12. Cash book prepared on imprest system is:

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

ANSWER: C

13. The statement sent along with purchase return is:

- A. credit note.
- B. bills payable book.
- C. debit note.

D. purchases return book.

ANSWER: A

14. A bank reconciliation statement is prepared by ____.

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

ANSWER: A

15. Errors which affect one account can be_____.

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

ANSWER: C

16. 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

17. Depreciation is provided on_____.

- A. fixed assets.
- B. outward charges.
- C. current assets.
- D. intangible assets.

ANSWER: A

18. Provision for bad debts is calculated on_____.

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

ANSWER: D

19. An example of revenue expenditure is_____.

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

ANSWER: B

20. When a bill is drawn by A on B, it is debited in the books of A to_____.

- A. Cash account.
- B. B account.
- C. Bills Receivable account.
- D. Bills Payable account.

ANSWER: C

21. Bills are drawn by_____.

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

ANSWER: A

22. While discounting the bill, debit should be given to_____.

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

ANSWER: A

23. Average due date can be called as_____.

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

ANSWER: A

24. Account current is a journal is_____.

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

ANSWER: B

25. Which one of the following arrangements represents the order of liquidity?

- A. Cash, Bills Receivable, Stock, Debtors.
- B. Cash, Bills Receivable, Debtors, cash, Stock
- C. Cash, Bills Receivable, Debtors, Stock.
- D. Cash, Debtors, Bills Receivable, Stock.

ANSWER: B

26. 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

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

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

ANSWER: B

28. Which one of the following entry is not recorded in the residuary journal?

- A. Opening entry.
- B. Closing entry.
- C. Adjustment entry.
- D. Credit sales.

ANSWER: D

29. 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

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

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

ANSWER: B

31. Bills payable book is a _____.

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

ANSWER: A

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

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

ANSWER: A

33. The process of transferring the credit and debit items form a journal to their respective accounts in the ledger is termed as _____.

- A. Balancing.
- B. Invoicing.
- C. Double entry.
- D. Posting.

ANSWER: D

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

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

ANSWER: B

35. Preparation of trial balance helps in the deduction of _____.

- A. error of principle.

- B. compensating errors.
- C. errors of whole omission.
- D. clerical errors.

ANSWER: D

36. Goods worth Rs. 200 returned by Mohan were taken into stock, but no entry was passed, is an error of _____.

- A. commission.
- B. Principle.
- C. Omission.
- D. Compensatory.

ANSWER: C

37. The main purpose of preparing a bank reconciliation statement is _____.

- A. to know the bank balance.
- B. to compare the entries in the cash and pass books.
- C. to correct the cash after comparing with pass books.
- D. to reconcile cash balance as per pass book with the balance in the pass book.

ANSWER: D

38. Bank Reconciliation statement is _____.

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

ANSWER: C

39. A Cheque received and paid into 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. both the cash and bank columns of the book.
- D. the credit balance as per pass book.

ANSWER: B

40. Which one of the following is not taken into account in adjusting the cash balance?

- A. Mistakes in the cash book.
- B. Mistakes in the pass book.
- C. Bank charges debited in pass book.
- D. Interest and dividend credited in pass book.

ANSWER: B

41. Revenue expenditure is intended to benefit _____.

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

ANSWER: A

42. 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

43. 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

44. 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

45. When A advances money to B in the course of joint venture then A debits such money to _____.

- A. Joint bank account.
- B. Joint venture account.
- C. B s personal account.
- D. Expenses account

ANSWER: B

46. Overcasting of purchases journal would affect _____.

- A. Sales account.
- B. Purchase account.
- C. Suppliers account.
- D. Sales returns account.

ANSWER: B

47. 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

48. Journal Proper is meant for recording _____.

- A. credit purchase of fixed assets.
- B. return of goods.
- C. all such transactions for which no special journal has been kept by the business.
- D. supply of goods.

ANSWER: C

49. Purchase journal is kept to record _____.

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

ANSWER: C

50. 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

51. 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

52. 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

53. Insurance unexposed account is a _____.
- A. Real account.
 - B. Personal account.
 - C. Nominal account.
 - D. Representative account.

ANSWER: B

54. 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

55. 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

56. Purchases for office furniture on account is recorded in _____.
- A. general journal.
 - B. cash book.
 - C. purchases book.
 - D. sales book.

ANSWER: A

57. What does GAAP represents?

- A. Generally Accepted Audit Procedure.
- B. Generally Accepted Accounting Principles.
- C. General Agreement on Audit Principles.
- D. General Agreement on Accounting Principles.

ANSWER: B

58. Which English alphabet is similar to the shape of an account?

- A. I.
- B. T.
- C. H.
- D. Y.

ANSWER: B

59. How many sides does an account have?

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

ANSWER: B

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

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

ANSWER: A

61. Ledger is also called _____.

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

ANSWER: A

62. 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

63. The balance sheet is a _____ of the assets, liabilities and capital of a concern as on particular date.

- A. Statement.
- B. Document.
- C. Picture.
- D. balance.

ANSWER: A

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

- A. Debit.

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

ANSWER: B

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- A. I.
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- B. cash books
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69. The assets of a business can be classified as _____.

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

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70. The balance sheet is a _____ of the assets, liabilities and capital of a concern as on particular date

- A. Statement.
- B. Document.
- C. Picture.
- D. balance.

ANSWER: A

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

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

D. Asset.
ANSWER: B

72. Wages paid to workers must be debited to _____ account
- A. Wages .
 - B. Machinery.
 - C. Factory expenses.
 - D. Offices expenses.

ANSWER: A

73. Interest on capital is credited to _____ account.
- A. Expenses account.
 - B. Income account.
 - C. Capital account.
 - D. Asset account.

ANSWER: C

74. Depreciation deducted from the concerned _____.
- A. Liability.
 - B. Asset.
 - C. Expenses.
 - D. Incomes.

ANSWER: B

75. Receipts and payments account is a _____.
- A. Personal account.
 - B. Nominal account.
 - C. Real account.
 - D. Representative account.

ANSWER: B

76. The receipts and payments account begins with _____.
- A. debit balance.
 - B. credit balance.
 - C. no balance.
 - D. normal balance.

ANSWER: A

77. 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

78. 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

79. Life membership fee received by a club are shown in _____.

- A. balance sheet.
- B. profit and loss account.
- C. income and expenditure account.
- D. revenue account.

ANSWER: A

80. a receipts and payments account the payments are recorded on the ____ side.

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

ANSWER: A

81. The closing debit balance in the receipts and payments account indicates the _____ balance at the end of the year.

- A. Opening.
- B. Closing.
- C. Trading.
- D. Cash.

ANSWER: D

82. The income and expenditure account is prepared on the basis of _____ system of accounting.

- A. Basic.
- B. Main.
- C. Cash.
- D. Mercantile.

ANSWER: A

83. 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

84. Income and expenditure matches all _____ receipts against _____ payments pertaining to the relevant accounting years.

- A. revenue, revenue.
- B. cash, cash.
- C. cash, credits.
- D. credit, cash.

ANSWER: A

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

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

ANSWER: A

86. 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

87. 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

88. 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

89. 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

90. Income and expenditure account is a _____.
- A. Real account.
 - B. Nominal account.
 - C. Personal account.
 - D. Representative account.

ANSWER: B

91. 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

92. Donations received by a non-profit organisation are usually a _____.
- A. revenue receipt.
 - B. capital receipt.
 - C. capital expenditure.
 - D. revenue expenditure

ANSWER: A

93. 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

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

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

ANSWER: B

95. 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

96. Subscriptions for the current year received during the current year are to be _____.

- A. credited to receipts and payments account.
- B. debited to income and expenditure account.
- C. credited to income and expenditure account.
- D. credited to revenue account.

ANSWER: C

97. Non-trading institutions prepare _____.

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

ANSWER: D

98. Receipts and payment account shows _____.

- A. income and expenditure.
- B. cash receipts and payments.
- C. assets and liabilities.
- D. profit on sale.

ANSWER: B

99. Income and expenditure account reveals _____.

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

ANSWER: B

100. Income and expenditure account records transaction of _____.

- A. revenue nature only.
- B. capital nature only.

- C. both capital and revenue nature.
- D. personal nature.

ANSWER: A

101. Subscription received in advance is _____.

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

ANSWER: C

102. Subscription in arrears (given in adjustment) is shown on the _____.

- A. credit side of income and expenditure account and assets side of balance sheet.
- B. debit side of the income and expenditure and liabilities side of the balance sheet.
- C. only in the assets side of balance sheet.
- D. only in the liabilities side of balance sheet.

ANSWER: A

103. Donation received for a specific purpose:

- A. should be credited to a separate account and shown on the liabilities side of the balance sheet.
- B. should be credited to income and expenditure account.
- C. should not be recorded at all.
- D. should be debited to income and expenditure account.

ANSWER: A

104. If there is a prize fund and prizes are awarded, expenses and income are transferred to _____.

- A. income and expenditure account.
- B. assets side of the balance sheet.
- C. the liabilities side of the balance sheet.
- D. trading account.

ANSWER: C

105. Admission fee income should be _____.

- A. Capitalized.
- B. treated as a revenue.
- C. treated as revenue unless the amount is pretty large.
- D. treated as a liability.

ANSWER: C

106. 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

107. 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

108. _____ supplies the management significant information in order to assist the management to discharge its various functions such as planning, control and decision making.

- A. Financial accounting .
- B. Cost accounting.
- C. Management account.
- D. Human resource accounting.

ANSWER: C

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

- A. Voucher.
- B. Bill.
- C. Carbon copy.
- D. Expense bill.

ANSWER: A

110. If some goods from business are given away as charity to a particular person or institution, it should be _____.

- A. debited to charity account.
- B. credited to charity account.
- C. debit sales account.
- D. debit to donation account.

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. bills received from customers.
- B. bills received from supplier.

C. credit purchases.

D. 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. 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

120. The convention of conservatism is applicable:

A. in providing for discount on creditors.

B. in making provision for bad debts and doubtful debts.

C. in making provision for depreciation.

D. in making provision for contingencies.

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. compensation errors.

ANSWER: A

132. Sales to Ram Rs. 336 posted to his account as Rs. 363 would effect:

- A. sales account.
- B. rams account.
- C. cash account.
- D. bank account.

ANSWER: B

133. 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

134. 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

135. Outstanding salaries are shown as:

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

ANSWER: B

136. 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

137. Balance sheet is a:

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

ANSWER: A

138. Wages is an example of :

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

ANSWER: C

139. 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

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

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

ANSWER: C

141. A person who draws a bill of exchange is known as the:

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

ANSWER: B

142. A person named in the negotiable instrument to whom or to whose order the money in the instrument is directed to be paid is called as the:

- A. Payer.
- B. Payee.
- C. consignor .
- D. consignee.

ANSWER: B

143. Noting charges are paid in the event of _____ of a bill.

- A. Withdrawal.
- B. Payment.

- C. Dishonour.
- D. Deposit.

ANSWER: C

144. At the time of the renewal of a bill, interest account is _____ in the books of the drawee.

- A. Credited.
- B. Totaled.
- C. Debited.
- D. Posted.

ANSWER: C

145. _____ days of grace are allowed in case of time bills for calculation date of maturity.

- A. Five.
- B. Seven.
- C. Three.
- D. Two.

ANSWER: C

146. salary account is of the nature of a:

- A. real account.
- B. nominal account.
- C. personal account.
- D. trading account.

ANSWER: B

147. Del Credere commission is allowed to the consignee to bear:

- A. normal loss.
- B. abnormal loss.
- C. loss on account of bad debts.
- D. profit on account of sender.

ANSWER: C

148. cash purchase in the account of

- A. purchases account.
- B. joint venture account.
- C. venturers account.
- D. cash account.

ANSWER: D

149. Final Account is

- A. one account.
- B. two account.
- C. three account.
- D. four account.

ANSWER: C

150. Income and expenditure account is:

- A. a real account.
- B. a nominal account.
- C. a personal account
- D. cash account.

ANSWER: B

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