

Orange

Monkey

Corporation

MGT101

Quiz No 3

Income =?

Profit – expenses

When the sum of more than one error cancels the accounting effect of each other, it is called?

Compensating error

Control accounts are maintained for all of the following EXCEPT;

Depreciation

Expired portion of direct cost is a part of _____.

Cost of sales

Control accounts are maintained for all of the following EXCEPT;

Depreciation

Service fee received is a _____.

Revenue Expenditure

Cotton thread to make the fabric in manufacturing concern is

Raw material

Control accounts are maintained for all of the following EXCEPT

Depreciation

Mostly, control accounts are maintained for

All options

Which of the following is an error of principle?

A receipt of Rs. 50,000 from a debtor is recorded as Rs 5,000 in his account

A payables ledger control account had a closing balance of Rs. 9,000. A discount received of Rs. 500 had been omitted to record

in this control account. What should be the correct balance of payables control account?

Rs. 8,500 credit

Expired portion of direct cost is treated as

Cost

Not realizable value of inventory =

Selling price – further costs to sell

Which of the following should be debited for issue of raw material to production department in manufacturing concern?

Finished goods account

Under periodic system of recording inventory purchase of inventory is recognized as _____

Stock

Purchase of building costing Rs 500,000 is recorded in repairs account. What will be its effect on net profit?

No effect

Which of the following should be debited on sale of completed goods on cash basis in manufacturing concern?

Cash account

If some financial information is completely forgotten to record in the books of original entry. Such error is known as

Error of omission

Which of the following should be credit on sale of completed goods on credit basis in manufacturing concern?

Sales Account

Cost of inventory =?

Selling – Further costs to sell

Shipping supplies consumed is considered as?

Selling expense

Expired portion of direct cost is treated as

Expense.

Discount received from a creditor is credited under main head:

Income

Accumulated depreciation of furniture is a/an

Contra asset account

If Work in Process closing inventory is provided in trial balance, then that in inventory is treated in:

Balance Sheet only

Factory overhead is a/an.

Cost

Purchases Rs.500, Carriage outward Rs.50, Gross Sales Rs. 700 and Gross Profit Rs. 100. Net Purchases =?

Rs. 50

Carriage inward is debited under main head:

Expenses

Capital introduced by the owner is a_

Capital Receipt

Factory overhead cost = Power & fuel cost +__.

Indirect material cost

Consumed direct supplies are considered as:

Cost of sales

All of the following items may appear in Trade payable control account

EXCEPT:

Bad debts

When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of principle

The unexpired portion of direct cost is treated as:

Assets

A control account is an individual account that appears in the.
General ledger

Mr. X receives a discount of Rs. 50 from a supplier.

The discount is debited

To discount allowed account. What will be its effect on net profit?

Understated by Rs. 100

A creditors' control account is used to record all the transactions related to:

Credit purchases

While preparing a Debtors Control Account, Credit side posted items cause:

Decrease in debtors' balance

Which of the following is a Revenue receipt?

. Sales revenue

Direct cost is also known as:

Prime cost

A minor repair to a photocopy machine was paid in cash. Correct entry

Was made to cash account but no entry was made to other account. What will be the debit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Photocopy machine repair account

A new accountant of ABC Corporation has prepared the trial balance. But

There is difference in total of both sides of trial balance: such difference

Can be due to:

All of the given options

Mostly, control accounts are maintained for:

All of the given options

When correct accounting effect (Dr/Cr) is given in the wrong accounting

Head but the main head remains correct, is known as:

Error of commission

If the debit side of trial balance is heavier than the credit side,
suspense

Account will be written on_

Credit side

Purchases Rs.500, Return inward Rs.50, Gross Sales Rs. 700 and
Gross Profit Rs. 100. Net Purchases =?

Rs.500

All of the following items appear on credit side of Trade
receivable

Control account EXCEPT

Cheques dishonored

Purchase return account is a/an_.

Contra item

Which of the following Organization converts raw material into
finished?

Goods?

Manufacturing concern

If the credit side of trial balance is heavier than the debit side,

suspense

Account will be written on_

Debit side

Carriage outward is debited under main head:

Expenses

In a manufacturing concern, rent of office building is included in
Operating expense

Income =?

Profit – expenses

A payables ledger control account had a closing balance of Rs 9,000. A

Credit purchase of Rs. 500 had been omitted to record in this control

Account. What should be the correct balance of payables control account?

Rs. 9,500 credit

All of the following items may appear in Trade payable control account

EXCEPT:

Cash purchases

Which of the following is an error of principle?

Purchases of vehicle is recorded in repairs account

When correct accounting entry is recorded in the books of accounts but

The amount in both according effect (Dr & Cr) is wrong, it is known as:

Error of original entry

Total factory cost = Prime cost + ____.

Factory overhead cost

Unconsumed shipping supplies are considered as:

Current asset

Leather to make jackets in manufacturing concern is:

Raw material

Which of the following is/are the function of financial accounting?

All of the given options.

Work in process closing inventory is a/an:

Asset

A payables ledger control account had a closing balance of Rs 9,000. A

credit sales of Rs. 500 had been omitted to record in this control account. What should be the correct balance of payables control account?

Rs. 9,000

Note (33 & 42 credit purchases = (payable control account) and **credit sales = (receivables control account).**

A debtors' control account is used to record all the transactions related

Credit sales

Discount allowed to a debtor is Debited under main head:

Expenses

A receivables ledger control account had a closing balance of Rs. 9,000. A dishonored cheque of Rs. 500 had been omitted to record in the control account. What should be the correct balance of receivables control account?

Rs. 9,500 debit

Unconsumed direct supplies are considered as:

Inventory

Unfinished goods are called.

Work in process

Salaries expense of Rs. 5,000 is recorded as Rs. 500.
What will be its effect on net profit?

Overstated by Rs. 4,500

All of the following items may appear in Trade receivable control account

EXCEPT:

Credit Purchases

Expenditure incurred to acquire the patent right for the business is an example of:

Capital expenditure

Loss on revaluation of fixed asset should be charged to:

Profit and loss account

While preparing a Debtors Control Account, Debit side posted items cause:

Increase in debtors' balance

Expenses are also known as:

Expired portion of cost

An income statement is prepared for a specific period, which is also known as:

Reporting period

Which of the following is a Capital expenditure?

Purchase of a building

A purchase of plant and machinery is a ____

Capital Expenditures

Discount allowed to a debtor is credited under main head:

Expenses

Which of the following is Revenue expenditure?

Payment of salaries

In a trading concern, salaries of marketing staff are included in ____.

Operating expense

Cotton thread to make fabric in manufacturing concern is:

Raw material

Mr. A recorded a cash payment of Rs. 300,000 as salaries. Both the salaries

and cash account was debited. What would be the credit affect of journal?

entry to rectify this error, if there is suspense account in trial balance?

Cash account

A receivables ledger control account had a closing balance of Rs. 9,000.

Cash sales of Rs. 500 had been omitted to record in the control account. What should be the correct balance of receivables control account?

Rs. 9,000 debit

Factory overhead cost = Power & fuel cost +__.

Other indirect cost

A new accountant of ABC Corporation has prepared the trial balance. But

There is difference in total of both sides of trial balance; such amount of difference shall be named as:

Suspense account

In a manufacturing concern, salary of supervisor is included in_____.

Operating expense

Mr. Y has recorded a stationary expense of Rs. 50 as salaries expense. What
Will be its effect on net profit?

No effect

Control accounts are maintained for all of the following
EXCEPT:

Depreciation

Service fee received is a____.

Revenue Receipt

Which of the following is a Capital receipt?

Long term loan from bank

Sales Rs. 500, Return inwards Rs. 50, Gross Profit Rs. 100, Net
Sales =?

Rs. 450

Expenses =?

Income – profit

Office supplies consumed is considered as:

Admin expense

Bank charges of RS. 1,000 have been deducted by the bank without our Knowledge. What will be its effect on net profit?

No effect

Wood used to make a table in manufacturing concern is:

Raw material

Sole proprietor can prepare following financial statements as final accounts:

Balance sheet & income statement

Which one of the following is INCORRECT about closing stock?
It reduces the resources of business

Prime cost = Direct material cost +__

Direct labor cost

Mr. A recorded a cash payment of Rs. 300,000 as salaries. Both the

salaries

And cash account was debited. What would be the debit affect of journal entry to rectify this error, if there is suspense account in trial balance?

Suspense account

While preparing a Creditors Control Account, Debit side shows the items that

Will cause

Decrease in creditors' balance

Sales return account is a/an_____.

Contra item

If Work in Process closing inventory is provided as additional information,

Other than trial balance, then that inventory treated in:

Profit and loss account only

Electricity expense is a_____.

Revenue Expenditure

Current year's depreciation of furniture is a/an

.

Expense account

Carriage inward should be the part of:

Direct cost

Control accounts are usually maintained by:

Large organizations

Purchase of building costing Rs. 500,000 is recorded in repairs account. What will be?
Its effect on net profit?

No effect

Which of the following is an error of original entry?

A receipt of Rs. 50,000 from a debtor is recorded as Rs. 5,000 in his account.

A payables ledger control account had a closing balance of Rs. 9,000. Cash

Purchase of Rs. 500 had been omitted to record in this control account. What
should be the correct balance of payables control account?

Rs 500 credit

Drawings account is a/an

Contra item

Expenses =?

Income – profit

All of the following items appear on debit side of Trade receivable control account EXCEPT:

Discount allowed

Mostly, control accounts are maintained for:

All of the given options

Purchases Rs. 500, Returns outward Rs. 50, Gross Sales Rs. 700 and Gross Profit Rs. 100, Net Purchases =?

450

If cost of sales is Rs. 90,000, income from sales Rs. 200,000 and operating expenses Rs. 100,000. What will be net result? Select correct option:

Rs. 5,000 Losses

Work in process closing inventory is a/an:

Asset

Which of the following is Revenue expenditure?

Sales revenue

A payment of Rs. 1,000 to a creditor Mr. A is recorded in the account of another creditor Mr. B.

What will be its effect on net profit?

Rs. 1,000 Owner's equity.

Which of the following Organization converts raw material into finished goods?

Manufacturing concern

Capital introduced by the owner is a _____.

Capital Receipt

When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong, it is known as:

Error of commission

Which of the following is an error of original entry?

A payment to a debtor Mr. A is recorded in the account of

another debtor Mr. B

Mr. X receives a discount of Rs. 50 from a supplier. The discount is debited to discount allowed account. What will be its effect on net profit?

Understated by Rs.100

While preparing a Creditors Control Account, Credit side shows the items that will cause:

Raw material

Service fee received is a _____.

Revenue Expenditure

Work in process closing inventory is a/an:

Asset.

Factory overhead cost = Power & fuel cost + _____.

Indirect material cost

A payables ledger control account had a closing balance of Rs.9,000. A discount received of Rs. 500 had been omitted to record in this control account. What should be the correct balance of payables control account?

Rs. 8,500 credit

Unconsumed shipping supplies are considered as:

Current asset

Sales return account is a/an _____.

Contra item

Unconsumed office supplies are considered as:

Raw martial

Unfinished goods are called:

Raw martial

If the debit side of trial balance is heavier than the credit side, suspense account will be written on _____.

Credit side

Accumulated depreciation of furniture is a/an _____.

Contra asset account

Which of the following is a Capital receipt?

Long term loan from bank

Discount received from a creditor is Debited under main head:

Assets

While preparing a Debtors Control Account, Debit side posted items cause:

Increase in debtors' balance

An income statement is prepared for a specific period, which is also known as:

Financial health

A minor repair to a photocopy machine was paid in cash. Correct entry was made to cash account but no entry was made to other account. What will be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of commission

Mr. A recorded a cash payment of Rs.300, 000 as salaries. Both the salaries and cash account

were debited. What would be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

Purchase of building costing Rs. 500,000 is recorded in repairs account. What will be its effect on net profit?

Overstated by Rs. 500,000

Control accounts are usually maintained by:

Large organizations

All of the following items may appear in Trade receivable control account EXCEPT:

Cash relievable in debit

A new accountant of ABC Corporation has prepared the trial balance. But there is difference in total of both sides of trial balance, such amount of difference shall be named as:

Suspense account

Bank charges of RS. 1,000 have been deducted by the bank without our knowledge. What will be its effect on net profit?

Understated by Rs. 1,000

Which of the following is an error of omission?

Bank charges being deducted by the bank without our **knowledge**

If someone financial information is completely forgotten to record in the books of original entry, such error is known as:

ERROR OF OMISSION

In a manufacturing concern, rent of the office building is included in:

OPERATING EXPENSES

Expired portion of direct cost is a part of -----

Cost of sales

All of the following items may appear in Trade payable account
Expect:

Bad debts

Expired portion of direct cost is treated as:

Expense

In a manufacturing concern, rent of the office building is included in:

OPERATING EXPENSES

Income=

Profit-expenses

A payable ledger control account had balance of Rs9000. A credit purchase of Rs500 had been omitted to be recorded in the control account. What should be the correct balance of payable control account?

Rs.9000 credit

All of the following items may appear in Trade payable control account Except:

Cash purchases

When a correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong. It is known as

Error of original entry.

Total factory cost=prime cost+

factory overhead cost

Mostly, contra accounts are maintained for: trade receivable, trade payable, Inventory,

All of the given option

If the credit side of the trial balance is heavier than the debit side suspense's account will be written on -----

Both debit and credit side

Carriage inward is debited under main head:
EXPENSES

Unconsumed shipping supplies are considered as:

Current Assets

When correct accounting effect (Dr/Cr) is given in the wrong accounting head but the main head remains correct is known as:

Error of commission

Leather to make in manufacturing concern is:

Raw material

Which of the following is/are the function of financial

accounting?

All of the given options

When correct accounting effect (Dr/Cr) is given in the wrong accounting head as well as the wrong main head, it is known as:

Error of principle

Work in process closing inventory is a/an:

asset

A debtor's account is used to record all the transaction related to:

Credit sales

Purchase Rs500, carriage outward rs.50 gross sales Rs 700 and gross profit Rs 100 net purchase=?

500 RS

Discount allowed to a debtor is debtor under main head:

Expenses

A receivable ledger control account had a closing balance of rs9000.A dishonored cheque of

Rs 500 had been omitted to record in this control account what should be the correct balance of receivable control account?

9500 debt

Purchase return account is a /an

Contra items

Factory overhead is a/an

cost

Unfinished goods are called:

WORK IN Process

Salaries expenses of Rs 5000 are recorded as Rs 500 what will be its effect on net profit?

Overstated by rs.4500

All of the following items may appear in trade payable account Expect:

Bad debts

Discount received from a creditor is credited under main head:

Income

Capital introduced by the owner is a

Capital Receipt.

Factory overhead cost = power & fuel cost +

Indirect material cost

Consumed direct supplies are considered as:

Cost of sales

The unexpired portion of direct cost is treated as:

Assets

A control account is an individual account that appears in the -----

general ledger.

Mr. receives a discount of Rs 50 from a supplier. The discounts are debited to discount allowed account. What will effect on net profit?

Understated by Rs 100

A creditor's control account is used to record all the transaction related to:

credit purchase

Which of the following Is a revenue receipt?

Sales Revenue

Direct cost is also known as

Prime cost

Office supplies consumed is considered as:

cost of sales

Sales return account is a/an-----

Contra items

Which of the following is a capital receipt?

Long term loan from bank

Bank charges of Rs1000 have been deducted by the bank without our knowledge. what will its effect on net profit?

Overstated by Rs 1000

A new accountant of ABC corporation has prepaid the trial balance. but there is difference I total of both sides of trial balance such difference can be due to:

All of the given option

Mostly, control accounts are maintained for:

All of the given options

A purchase of plant and machinery is a -----

Capital expenditure

If the debit side of trial balance is heavier than the credit side, suspense account will be written on-----,

Credit side

If the credit side of trial balance is heavier than the debit side, suspense account will be written on

Debit side.

All of the following items may appear in Trade receivable control account Expect:

Checkups dishonored

Which of the following organization converts raw material into finished goods?

Manufacturing concern

Expenditure incurred to acquire the patent right for the business is an example of:

Capital expenditure

Loss on revaluation of fixed asset should be charged to:

Profit and loss account

When correct accounting entry is recorded in the books of accounts but the amount in both accounting effect (Dr & Cr) is wrong:

Error of original Entry

A new accountant of ABC corporation has prepaid the trial balance. but there is difference in total of both sides of trial balance such difference shall be named as:

Suspense account

Discount received from a creditor is Debited under main head:

liabilities

Electricity expense is a_____

Revenue Expenditure

Control accounts are maintained for all the following Except:

Deprecation

All of the following items may appear in Trade receivable control account Expect:

Cash sales

Discount allowed to a debtor is credited under main head:

Assets

All of the following items may appear in Trade receivable control account Expect:

Credit purchase

A control account is an individual account that appears in the ---

General ledge

Which of the following is an error of commission?

A payment to a debtor Mr. A is recorded in the the account of another Mr.

Which of the following should be considered as ready for sales in manufacturing concern?

Finished goods

Mr. A recorded a cash payment of Rs.300, 000 as salaries. Both the salaries and cash account

Were debited. What would be the credit effect of journal entry to rectify this error, if there is suspense account in trial balance?

Cash account

A receivables ledger control account had a closing balance of Rs.9, 000. A dishonored cheque of Rs. 500 had been omitted to record in this control account. What should be the correct balance of receivables control account?

Rs. 8,500 credit

In a trading concern, salaries of marketing staff are included in _____.

Operating expense

Purchase return account is a/an _____.

Expense item

Cotton thread to make fabric in manufacturing concern is:

Raw material

Sole proprietor can prepare following financial statements as final accounts:

Balance sheet & income statement

A debtors' control account is used to record all the transactions related to:

Credit sales

Shipping supplies consumed is considered as:

Selling expense