

SAMPLE QUESTION WITH ANSWERS

(PRACTICE QUESTIONS)

FINANCIAL

ACCOUNTING

BY

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Practice Questions with Answers:

Q1. When the first book of bookkeeping was published?

Ans. 1494

Q2. AS-19 is related to:

Ans. Lease accounting

Q3. Prepaid rent is shown as:

Ans. Assets

Q4. Balance sheet shows:

Ans. Financial position

Q5. The amount paid at the time of hire purchase system agreement is known as:

Ans. **Cash Down Payment**

Q6. Hire purchase price – cash price =

Ans. **Total interest**

Q7. The amount of interest is credited by the buyers to:

Ans. **Hire vendors account**

Q8. Under instalment payment system ownership of goods is:

Ans. **Transfer at the time of agreement**

Q9. Under hire purchase interest is calculated:

Ans. Outstanding balance of goods

Q10. Total creditors account is prepared to find out:

Ans. Credit purchase

Q11. Royalty account is:

Ans. Nominal Account

Q12. AS-1 is based on:

Ans. Presentation of financial statement

Q13. IFRS stands for:

Ans. **International Financial Reporting Standard**

Q14. When the short working are recouped the account to be debited (in the books of lessee):

Ans. **Landlord account**

Q15. The buyer charges depreciation on:

Ans. **Cash price of the assets**

Q16. In which year was the insolvency and bankrupt code come into force:

Ans. **2016**

Q17. An outstanding salary of manager is an item to be included in which creditors:

Ans. In unsecured creditors

Q18. Landlord account is a:

Ans. Personal account

Q19. Voyage account is:

Ans. Nominal account

Q20. Which account is prepared when branch sells goods on credit?

Ans. Branch debtors account

Q21. Mining royalty is based on:

Ans. Production

Q22. Formula of Short working:

Ans. Short Working = Minimum rent – Royalty

Q23. Cash book is a:

Ans. Subsidiary book

Q24. Father of accountancy in India:

Ans. Shri Kalyan Subramani Aiyar

Q25. Imprest system is based on:

Ans. Petty Cash Book

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