

SAMPLE QUESTIONS WITH ANSWER  
(PRACTICE QUESTIONS)

# FINANCIAL ACCOUNTING

BY

DR. VISHAL SAXENA



## Practice Questions With Answers:

Q1. K.S. Aiyar was born on:

Ans. 6<sup>th</sup> June 1859

Q2. Accounting means recording:

Ans. Transactions

Q3. Accounting is an art as well as science of:

Ans. Recording, classifying and summarizing transactions which are of financial character

Q4. Revenue is recognised when:

Ans. Payment is received

Q5. AS-2 is based on:

Ans. Inventories

Q6. The accounting standards are mandatory for:

Ans. Companies

Q7. Petty cash book is maintained to record:

Ans. Petty cash payments and receipts

PRACTICE QUESTIONS BY DR. VISHAL SAXENA

Q8. If Radha sold furniture for cash, the entry will be recorded in which book:

Ans. Sales book

Q9. Ledger helps the trader to achieve the object of:

Ans. Bookkeeping

Q10. New Delhi branch paid ₹5000 for computer purchased by the head office in New Delhi. To record this transaction in the books of head office the entry would be:

Ans. Computer a/c                      Dr.

To New Delhi Branch a/c

Q11. Formula of gross profit:

Ans.  $\frac{\text{Sales} \times \text{Rate}}{100}$

Q12. Branch account under debtors system is:

Ans. Nominal account

Q13. Insurance is a contract of:

Ans. Indemnity

PRACTICE QUESTIONS BY DR. VISHAL SAXENA

Q14. Insurance premium is determined on the basis of:

Ans. Policy amount

Q15. Voyage accounting is followed by:

Ans. Shipping companies

Q16. Voyage account is a:

Ans. Revenue amount

PRACTICE QUESTIONS BY DR. VISHAL SAXENA

Q17. Address commission on outward freight:

Ans. 
$$\frac{(\text{Outward freight} + \text{Primage}) \times \text{rate \%}}{100}$$

Q18. Expenditure incurred on diesel, coal and petrol during voyage is called:

Ans. Bunker cost

Q19. The sale of goods act, 1930 is not applicable in:

Ans. Hire purchase system

Q20. Features of hire purchase system:

Ans. Arrangement of contract, sale on credit and payment by instalment

Q21. In case of sub lease, the lessee prepares:

Ans. Royalty payable account and royalty receivable account

Q22. Royalty account is a nature of:

Ans. Nominal account

Q23. Royalty payable is debited by lessee to:

Ans. Royalty account



Q24. Formula of Excess working:

Ans. Royalty – Minimum rent

Q25. Amount due to local authority comes under:

Ans. Preferential creditors

---