

SAMPLE QUESTIONS WITH ANSWER
(PRACTICE QUESTIONS)

FINANCIAL ACCOUNTING

BY

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Practice Questions With Answers:

Q1. Shri K.S. Aiyar believed in:

Ans. Integrity of profession and principles based services

Q2. Shri Aiyar got permission from which council to train apprentices of the incorporated accountant's education in India for their London examinations:

Ans. London council of ICA

Q3. Functions of accounting are:

Ans. Decision making, Measurement and forecasting

Q4. External users of accounting are:

Ans. Creditors, Investors and government

Q5. GAAP stands for:

Ans. Generally Accepted Accounting Principles

Q6. ICAI was established under which act:

Ans. Chartered accountant act, 1949

Q7. Which book is called basic book of original entries:

Ans. Journal

Q8. Sale of furniture to Rudra for cash should be debited to:

Ans. Cash a/c

Q9. Ledger book is also known as:

Ans. Principals book of accounts

Q10. Excess of sales over cost of goods sold is:

Ans. Gross profit

Q11. On which date final accounts are prepared:

Ans. At the end of the accounting year

Q12. The lessee's right to recoup short working is related to:

Ans. **Terms of agreement**

Q13. Features of instalment payment system are:

Ans. **Goods sold on credit, right to third party and to take back the goods**

Q14. In instalment payment system the payment of assets is done in:

Ans. **Periodically instalment**

Q15. Dependent branch:

Ans. **Received goods from head office**

Q16. The closing debtors of branch includes:

Ans. **Credit sales**

Q17. Insurance companies appoint experts in the field of valuation, who are called:

Ans. **Loss assessors**

Q18. Formula of amount of claims are:

Ans. **Loss suffered x insured value**
Total cost

Q19. Formula of short sales:

Ans. **Standard sales – sales in the indemnity periods**

Q20. Book debts are shown under:

Ans. List 'F'

Q21. Voyage account is a:

Ans. Revenue account

Q22. Voyage includes:

Ans. Outward and inward both journey

Q23. Primage is an:

Ans. Income of shipping company

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Q24. Address commission and brokerage is payable to:

Ans. Broker and agent both

Q25. Methods of preparation of trial balance:

Ans. Total method, balance method, Elimination of equal totals methods and compound method

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