1. When goods are transferred from one department to other department, they are called?
   A. inter departmental transfers.
   B. outer departmental transfers.
   C. not a transfer.
   D. regular transfer.
   **ANSWER:** A

2. When goods are transferred from one department to other, the department transferring the goods should be __________.
   A. debited.
   B. credited.
   C. added.
   D. subtracted.
   **ANSWER:** B

3. When goods are transferred from one department to other, the department transferring the goods should be credited and department receiving the goods should be ________.
   A. debited.
   B. credited.
   C. added.
   D. subtracted.
   **ANSWER:** A

4. In departmental accounts expenses like director fees, interest is transferred to ______.
   A. balance sheet.
   B. trading account.
   C. general P & L account.
   D. P & L Appropriation account.
   **ANSWER:** C

5. The departmental accounting enables a business firm to maximize __________.
   A. profit.
B. losses.
C. cash.
D. assets.

**ANSWER: A**

6. Branch which does not maintain its own set of books is ______________.
   A. dependent branch.
   B. independent branch.
   C. foreign branch.
   D. local branch.

**ANSWER: A**

7. The business policies and the administration of a branch are wholly controlled by the head office the
   type of branch is __________.
   A. independent branch.
   B. dependent branch.
   C. local branch
   D. foreign branch.

**ANSWER: B**

8. A branch set up merely for booking orders which are executed by head office is ____.
   A. dependent branch.
   B. independent branch.
   C. foreign branch.
   D. local branch.

**ANSWER: A**

9. Branches not keeping full system of accounting are ________.
   A. independent branch.
   B. dependent branch.
   C. local branch.
   D. foreign branch.

**ANSWER: B**

10. All branch expenses such as rent, salary, are paid by the head office in case of ____.
    A. independent branch.
    B. local branch.
    C. local branch.
    D. dependent branch.

**ANSWER: D**

11. Dependent branch make ________.
    A. only cash sales.
    B. only credit sales.
    C. cash and credit sales.
D. installment sales.

**ANSWER: C**

12. Under stock and debtors system the head office opens _________.
   A. branch adjustment account.
   B. branch debtors account.
   C. branch creditors account .
   D. branch cash account.

**ANSWER: A**

13. In branch account, goods sent by branch X to branch Y, will be debited to _________.
   A. branch k.
   B. branch x.
   C. branch z.
   D. branch y.

**ANSWER: D**

14. Under branch accounts debtors system, the depreciation of an asset is _________.
   A. show in debtors account.
   B. shown in debit side of branch account.
   C. not shown in branch account
   D. shown in credit side of branch account

**ANSWER: C**

15. Under branch accounts debtors system, opening balance of assets are recorded in ____.
   A. credit side.
   B. debit side.
   C. first credit and debit side.
   D. first debit and credit side.

**ANSWER: A**

16. Under branch accounts debtors system, closing balance of assets are recorded in _________.
   A. credit side.
   B. debit side.
   C. first credit and debit side.
   D. first debit and credit side.

**ANSWER: A**

17. Under branch accounts debtors system, opening balance of liabilities are recorded in _________.
   A. first credit and debit side.
   B. first debit and credit side.
   C. credit side.
   D. debit side.

**ANSWER: C**
18. Under branch accounts debtors system, closing balance of liabilities are recorded in __________.
A. first credit and debit side.
B. first debit and credit side.
C. credit side.
D. debit side.
**ANSWER: D**

19. Under branch accounts debtors system, goods sent to branch account is recorded in __________.
A. debit side.
B. credit side.
C. asset side.
D. liabilities side.
**ANSWER: A**

20. Under branch accounts debtors system, loading on goods sent to branch adjusted in __________.
A. debit side.
B. credit side.
C. asset side.
D. liabilities side.
**ANSWER: B**

21. Under branch accounts debtors system, bad debts, discount allowed to debtors is __________.
A. shown in debit side.
B. shown in credit side.
C. shown in asset side.
D. not shown
**ANSWER: D**

22. Under branch accounts debtors system, both cash and credit sales are __________.
A. shown in debit side.
B. shown in credit side.
C. shown in asset side.
D. not shown.
**ANSWER: D**

23. The difference between goods sent by head office and received by the branch is known as ____________.
A. goods in transit.
B. goods in godown.
C. goods in production.
D. goods in warehouse.
24. Under stock and debtors system of branch account, branch adjustment account is opened when goods sent to branch is at ________.
A. cost price.
B. invoice price.
C. market price
D. normal price.
**ANSWER: B**

25. Under stock and debtors system of branch account, the account prepared to record all the transactions relating to branch debtors is recorded in ________.
A. branch expenses account
B. branch adjustment account.
C. branch debtors account.
D. branch creditors account.
**ANSWER: C**

26. In debtor ledger a/c, only ________ is prepared
A. trade creditors a/c.
B. all creditors a/c.
C. cash purchase a/c.
D. cash sales a/c.
**ANSWER: A**

27. In creditor ledger a/c only ____________ is prepared
A. trade creditors a/c.
B. all creditors a/c
C. cash purchase a/c.
D. cash sales a/c.
**ANSWER: B**

28. Which of the following item is omitted while preparing adjustments a/c
A. Provision for bad debts
B. Credit sales.
C. Credit purchase.
D. Cash paid to creditors.
**ANSWER: A**

29. Debtors ledger adjustment a/c normally shows the opening balance in ________.
A. debit.
B. credit.
C. either debit or credit
D. . debit and credit.
30. Creditors ledger adjustment a/c normally shows the opening balance in ________.
A. debit.
B. credit.
C. either debit or credit
D. debit and credit
ANSWER: B

31. General ledger adjustment a/c in debtor ledger shows __________ balance
A. . debit.
B. credit.
C. either debit or credit
D. debit and credit.
ANSWER: B

32. General ledger adjustment a/c in creditor ledger shows __________ balance
A. debit.
B. credit.
C. either debit or credit
D. debit and credit.
ANSWER: A

33. Under sectional balancing system __________ a/cs are prepared
A. total debtors and total creditors
B. creditor ledger and debtors ledger
C. creditor ledger and general ledger.
D. debtor ledger and general ledger.
ANSWER: A

34. An account which contains all the real, nominal and personal (except trade Drs and Crs) is
__________.
A. purchase ledger.
B. sales ledger.
C. general ledger.
D. subordinate ledger.
ANSWER: C

35. An account which contains all the trade debtors is __________.
A. purchase ledger.
B. sales ledger.
C. general ledger.
D. subordinate ledger.
ANSWER: B
36. An account which contains all the trade creditors is __________.
A. purchase ledger.
B. sales ledger
C. general ledger
D. subordinate ledger

ANSWER: A

37. Types of branches are ______.
A. . 2.
B. 3
C. . 4.
D. 5.

ANSWER: B

38. The principal place of business is called ____________.
A. branch.
B. head office.
C. wholesale business
D. . foreign branch.

ANSWER: B

39. The branch which does not maintain its own set of books is _________.
A. dependent branch.
B. . independent branch.
C. foreign branch.
D. local branch.

ANSWER: A

40. Debtors ledger adjustment a/c normally shows the opening balance in _________.
A. debit.
B. credit.
C. either debit or credit
D. . debit and credit.

ANSWER: A