1. In pure single entry which account is recorded
A. Personal.
B. Real.
C. Nominal.
D. Asset.
**ANSWER: A**

2. All personal, real and nominal accounts are opened in
A. single entry system.
B. double entry system.
C. accrual system.
D. mercantile system.
**ANSWER: B**

3. Only personal account and cash account are opened in
A. single entry system.
B. double entry system.
C. accrual system.
D. mercantile system.
**ANSWER: A**

4. Trial balance can be prepared in
A. single entry system.
B. double entry system.
C. accrual system.
D. mercantile system.
**ANSWER: A**

5. Trial balance cannot be prepared in_____.
A. single entry system.
B. double entry system.
C. accrual system.
D. mercantile system.
**ANSWER: A**
6. Balance sheet can be prepared _______.
A. in single entry system.
B. in double entry system.
C. with the help of cash book.
D. with the help of bank account.
**ANSWER: A**

7. Balance sheet cannot be prepared _______.
A. in single entry system.
B. in double entry system.
C. with the help of cash book.
D. with the help of bank account.
**ANSWER: A**

8. In single entry system, net worth method is also called _______.
A. double entry system
B. mercantile system.
C. statement of affairs method.
D. accrual system.
**ANSWER: C**

9. Difference between net worth at the beginning of the year and at the end of the year represents _______.
A. capital balance.
B. cash balance.
C. pass book balance.
D. profit or loss.
**ANSWER: D**

10. Opening capital can be found by preparing _______.
A. cash book.
B. bank account.
C. statement of affairs.
D. statement of bank pass book.
**ANSWER: C**

11. A statement of affairs is just like a _______.
A. balance sheet.
B. profit and loss account.
C. cash account.
D. trading account.
**ANSWER: A**

12. In statement of affairs assets are shown on the __________.
A. right hand side.
B. left hand side.
C. left hand side top.
D. left hand side bottom.

**ANSWER: A**

13. In statement of affairs liabilities are shown on the _________.
A. right hand side.
B. left hand side.
C. right hand side top.
D. right hand side bottom.

**ANSWER: B**

14. Under single entry system, closing capital can be found by preparing a statement of affairs _________.
A. at the end of the year.
B. at the beginning of the year.
C. at the end of every month.
D. at the end of every quarter.

**ANSWER: A**

15. Under single entry system, opening capital can be found by preparing a statement of affairs _________.
A. at the end of the year.
B. at the beginning of the year.
C. at the end of every month.
D. at the end of every quarter.

**ANSWER: B**

16. Under single entry system in net worth method, drawings is added with _________.
A. opening capital. B. closing capital.
C. additional capital.
D. drawings.

**ANSWER: B**

17. Under single entry system in net worth method, additional capital is deducted with _________.
A. opening capital.
B. closing capital.
C. additional capital.
D. drawings.

**ANSWER: B**
18. Under single entry system in net worth method, opening capital is subtracted from _________.
   A. opening capital
   B. closing capital.
   C. additional capital
   D. drawings.
   **ANSWER: B**

19. Under single entry system in conversion method, a total debtors account is prepared to find out _________.
   A. credit sales.
   B. . cash sales
   C. credit purchases.
   D. . cash purchases.
   **ANSWER: A**

20. Under single entry system in conversion method, a total debtors account is prepared to find out _________.
   A. credit purchases.
   B. cash purchases.
   C. cash purchases.
   D. closing balance of debtors.
   **ANSWER: D**

21. Debtors account is a _________.
   A. personal account.
   B. real account.
   C. nominal account.
   D. cash account.
   **ANSWER: A**

22. Total creditors account is prepared to find out _________.
   A. credit sales.
   B. . cash sales.
   C. credit purchases.
   D. cash purchases.
   **ANSWER: C**

23. Total creditors account is prepared to find out _________.
   A. opening balance of debtors.
   B. closing balance of debtors.
   C. opening balance of creditors.
   D. closing balance of creditors.
   **ANSWER: D**
24. A bills receivable account is prepared to ascertain bills _______.
   A. accepted.
   B. received.
   C. drawn.
   D. endorsed.
   **ANSWER: B**

25. A bills payable account is prepared to ascertain bills ________.
   A. accepted.
   B. received.
   C. drawn.
   D. endorsed.
   **ANSWER: A**

26. Bills receivable dishonored will be posted to ________ side of debtors account
   A. debit.
   B. credit.
   C. outside.
   D. inside.
   **ANSWER: A**

27. Bills receivable dishonored will be posted in ____________.
   A. debit.
   B. credit.
   C. outside.
   D. inside.
   **ANSWER: B**

28. Transfer to creditors account will be posted in which side of debtors account
   A. Debit.
   B. Credit.
   C. Outside.
   D. Inside.
   **ANSWER: B**

29. Transfer to creditors account will be posted in which side of creditors account
   A. Debit.
   B. Credit.
   C. Outside.
   D. Inside.
   **ANSWER: A**

30. Bills payable dishonoured will be posted in which side of creditors account
    A. Debit.
    B. Credit.
31. Bills payable dishonoured will be posted in which side of bills payable account
A. Debit.
B. Credit.
C. Outside.
D. Inside.
**ANSWER: D**

32. Opening balance of debtors will be posted in which side of debtors account
A. Debit.
B. Credit.
C. Outside.
D. Inside.
**ANSWER: C**

33. Closing balance of debtors will be posted in which side of debtors account
A. Debit.
B. Credit.
C. Outside.
D. Inside.
**ANSWER: D**

34. Closing balance of creditors will be posted in which side of creditors account
A. Debit.
B. Credit.
C. Outside.
D. Inside.
**ANSWER: A**

35. Opening balance of creditors will be posted in which side of creditors account
A. Debit.
B. Credit.
C. Outside.
D. Inside.
**ANSWER: D**

36. Cash account opening balance will appear in _______.
A. debit.
B. credit.
C. outside.
D. inside.
**ANSWER: A**
37. Cash account closing balance will appear in __________.
A. debit.
B. credit.
C. outside.
D. inside.
\textbf{ANSWER: B}

38. Bills payable account opening balance will appear in __________.
A. debit.
B. credit.
C. outside.
D. inside.
\textbf{ANSWER: D}

39. Bills payable account closing balance will appear in __________.
A. debit.
B. credit.
C. outside.
D. inside.
\textbf{ANSWER: C}

40. Bills receivable account opening balance will appear in _______.
A. debit.
B. credit.
C. outside.
D. inside.
\textbf{ANSWER: A}

41. Single entry system is otherwise called ________.
A. complete records
B. incomplete records.
C. pure system of accounting
D. uniform accounting.
\textbf{ANSWER: B}

42. Which of the following method is used to ascertain profit in single entry system?
A. net worth method.
B. lump sum method
C. net asset method.
D. double accounting system
\textbf{ANSWER: A}

43. Total debtors a/c reveals (as a balancing figure) ____________.
A. cash collected from debtors
B. credit purchase.
C. cash paid to creditors
44. Total debtors a/c does not reveal ____________.
A. credit sales.
B. opening debtors
C. closing debtors.
D. closing creditors.
ANSWER: D

45. Total creditors a/c reveals (as a balancing figure) ___________.
A. credit purchases
B. credit sales.
C. closing stock.
D. closing debtors
ANSWER: A

46. Total creditors a/c does not reveal ____________.
A. closing stock
B. closing debtors.
C. closing creditors.
D. credit purchases.
ANSWER: A

47. Bills receivables a/c reveals ____________ as a balancing figure
A. opening B/R.
B. opening stock.
C. opening debtors.
D. opening creditors
ANSWER: A

48. Bills payables a/c reveals ____________ as a balancing figure.
A. opening B/P.
B. opening stock
C. opening debtors.
D. opening creditors
ANSWER: A

49. Capital at the beginning Rs. 8,00,000 drawings Rs. 1,80,000 capital at the end Rs. 9,00,000 Capital introduced during the period Rs. 50,000. Net profit is _________.
A. Rs. 2,00,000.
B. Rs. 2,30,000.
C. Rs. 2,40,000
D. Rs. 2,45,000.
ANSWER: B
50. Cash at bank Rs. 3,000; debtors Rs. 4,000; stock Rs. 16,000; furniture Rs. 2,000 and creditors Rs. 5,000. Find out capital
A. Rs. 12,000
B. Rs. 15,000
C. Rs. 20,000
D. Rs. 22,000.
**ANSWER: C**

51. Statement of affairs is prepared _________.
A. to find out trade discount
B. to calculate profit.
C. to calculate sales.
D. to ascertain capital
**ANSWER: D**

52. Depreciation is the process of _________.
A. valuation of assets.
B. apportionment of the cost of the asset over its useful life.
C. maintenance of assets.
D. purchasing the assets.
**ANSWER: B**

53. Creating a reserve is ___________.
A. optional.
B. compulsory.
C. essential.
D. statutory.
**ANSWER: A**

54. Under Debtors system, the cash sales are _________.
A. debited to the branch a/c
B. credited to the branch a/c.
C. debited to debtors a/c
D. credited to creditors a/c
**ANSWER: B**

55. Depreciation in the books of buyer is charged on _________.
A. hire purchase price.
B. cash price.
C. installment amount
D. down payment.
**ANSWER: B**
56. Balance in asset a/c will be reduced to zero in _______.  
A. annuity method 
B. depreciation fund method. 
C. insurance policy method. 
D. straight line method.  
**ANSWER: D**

57. Under annuity method, the amount of depreciation is __________.  
A. increasing every year. 
B. decreasing every year. 
C. fixed for all the years. 
D. change every year.  
**ANSWER: C**

58. Profit from depreciation policy is transferred to __________.  
A. depreciation fund a/c 
B. asset a/c. 
C. p & l a/c. 
D. liability side.  
**ANSWER: A**

59. Interest is debited to asset a/c in __________.  
A. annuity method. 
B. sinking fund method. 
C. insurance policy method. 
D. straight line method.  
**ANSWER: A**

60. Sundry creditors means a person who supplies goods on __________.  
A. cash basis 
B. credit basis. 
C. installment basis. 
D. cash and credit basis.  
**ANSWER: B**

61. Sundry debtors means a person who purchases goods on __________.  
A. cash basis. 
B. credit basis. 
C. installment basis. 
D. cash and credit basis.  
**ANSWER: B**

62. General Ledger Adjustment a/c(s) are opened in __________.  
A. debtors ledger. 
B. creditor ledger. 
C. debtors and creditors ledger.
63. Cash paid to creditors can be calculated from ____________.
A. debtors a/c.
B. creditors a/c.
C. balance sheet.
D. p & l a/c.
**ANSWER: B**

64. The figure for capital in the beginning is ascertained from ________.
A. creditors a/c.
B. debtors a/c.
C. statement of affairs.
D. balance sheet.
**ANSWER: C**

65. Branch account is a ________.
A. personal account
B. real account.
C. nominal account.
D. cash account.
**ANSWER: C**