

# QB365 Question Bank Software Study Materials

## Final Accounts of Sole Proprietors - I 50 Important 1 Marks Questions With Answers (Book Back and Creative)

11th Standard

Accountancy

Total Marks : 50

### Multiple Choice Question

50 x 1 = 50

- 1) Closing stock is an item of \_\_\_\_\_.  
(a) Fixed asset    **(b) Current asset**    (c) Fictitious asset    (d) Intangible asset
- 2) Balance sheet is \_\_\_\_\_.  
(a) An account    **(b) A statement**    (c) Neither a statement nor an account    (d) None of the above
- 3) Net profit of the business increases the \_\_\_\_\_.  
(a) Drawings    (b) Receivables    (c) Debts    **(d) Capital**
- 4) Carriage inwards will be shown \_\_\_\_\_.  
**(a) In the trading account**    (b) In the profit and loss account    (c) On the liabilities side    (d) On the assets side
- 5) Bank overdraft should be shown \_\_\_\_\_.  
(a) In the trading account    (b) Profit and loss account    **(c) On the liabilities side**    (d) On the assets side
- 6) Balance sheet shows the \_\_\_\_\_ of the business.  
(a) Profitability    **(b) Financial position**    (c) Sales    (d) Purchases
- 7) Drawings appearing in the trial balance is \_\_\_\_\_.  
(a) Added to the purchases    (b) Subtracted from the purchases    (c) Added to the capital  
**(d) Subtracted from the capital**
- 8) Salaries appearing in the trial balance is shown on the \_\_\_\_\_.  
(a) Debit side of trading account    **(b) Debit side of profit and loss account**    (c) Liabilities side of the balance sheet  
(d) Assets side of the balance sheet
- 9) Current assets does not include \_\_\_\_\_.  
(a) Cash    (b) Stock    **(c) Furniture**    (d) Prepaid expenses
- 10) Goodwill is classified as \_\_\_\_\_.  
(a) A current asset    (b) A liquid asset    (c) A tangible asset    **(d) An intangible asset**
- 11) \_\_\_\_\_ refers to buying and selling of goods with the intention of making profit.  
**(a) Trading**    (b) Trial balance    (c) Balance Sheet    (d) Profit and Loss Account
- 12) \_\_\_\_\_ refers to directly related cost.  
(a) Purchases    (b) Sales    **(c) Cost of goods sold**    (d) Liabilities
- 13) If the amount of sales exceeds the cost of goods sold, the difference is \_\_\_\_\_.  
**(a) Gross profit**    (b) Net profit    (c) Gross loss    (d) Net loss
- 14) All the expenses incurred on the purchase of goods are \_\_\_\_\_

(a) **Direct expenses** (b) Indirect expenses (c) Selling expenses (d) Administration expenses

15) Trading account is a \_\_\_\_\_ account.

(a) Personal (b) Real (c) **Nominal** (d) None of these

16) \_\_\_\_\_ is a tax levied by the local authority when the purchased goods enter the municipal limits.

(a) Wages (b) Dock charges (c) **Octroi** (d) Royalty

17) \_\_\_\_\_ is the amount paid to the owner of a mine or a patent for using owner's right.

(a) Octroi (b) Dock charges (c) **Royalty** (d) Wages

18) \_\_\_\_\_ account is the second part of income statement.

(a) Trading (b) **Profit and loss** (c) Financial (d) Cost

19) Net profit or Net loss is transferred to the \_\_\_\_\_ account.

(a) Trading (b) Profit and Loss (c) **Capital** (d) None of these

20) \_\_\_\_\_ is a statement which gives the position of assets and liabilities on a particular date.

(a) Financial (b) **Balance Sheet** (c) Trial Balance (d) None of these

21) \_\_\_\_\_ are the resources owned by the business.

(a) Purchases (b) Capital (c) Liabilities (d) **Assets**

22) \_\_\_\_\_ are assets of a relatively permanent nature used in the operations of business and not intended for sale

(a) **Fixed Assets** (b) Current Assets (c) Tangible Assets (d) Intangible Assets

23) \_\_\_\_\_ liabilities are not shown in the Balance sheet.

(a) Long-term (b) Short-term (c) **Contingent** (d) None of these

24) Opening stock is \_\_\_\_\_

(a) **debited in trading account** (b) credited in trading account (c) Credit in profit and loss account (d) none of these

25) Cash in hand is an example of \_\_\_\_\_

(a) **Current assets** (b) Fixed assets (c) Current liability (d) Contingent liability

26) Drawing must be deducted from \_\_\_\_\_

(a) Net profit (b) **Capital** (c) Gross profit (d) Sales

27) Profit on sale of fixed asset is an example of \_\_\_\_\_

(a) Revenue profit (b) **Capital profit** (c) Net receipt (d) Revenue expenditure

28) Carriage outwards will be shown

(a) In the trading account (b) **In the profit and loss account** (c) On the liabilities side (d) On the assets side

29) \_\_\_\_\_ account enables the trader to find out gross profit or Loss.

(a) **Trading Account** (b) Profit and loss Account (c) Balance sheet (d) Trial balance

30) \_\_\_\_\_ account enables the trader to find out Net profit or loss.

(a) Trading Account (b) **Profit and loss Account** (c) Balance sheet (d) Trial balance

31) Fixed assets does not include

(a) Plant (b) Stock (c) **Furniture** (d) Computer

- 32) Current Liabilities does not include  
 (a) Sundry Creditors (b) Bills Payable **(c) Debentures** (d) Outstanding Expenses
- 33) AH incomes are \_\_\_\_\_ in the profit and loss account.  
 (a) Debited **(b) Credited** (c) Assets (d) Liabilities
- 34) Bad debt is a \_\_\_\_\_ expense.  
 (a) Office expenses (b) Administrative expenses **(c) Selling expenses** (d) Distribution expenses
- 35) Wages is an example of \_\_\_\_\_  
 (a) Capital expenses (b) Indirect expenses **(c) Direct expenses** (d) Revenue expenses
- 36) Fixed assets have \_\_\_\_\_  
 (a) Short life **(b) long life** (c) no life (d) All of these
- 37) Income statement is divided into \_\_\_\_\_ parts.  
 (a) one **(b) two** (c) three (d) four
- 38) The first part of the income statement is \_\_\_\_\_.  
 (a) Final account **(b) Trading account** (c) Profit and Loss account (d) Balance sheet
- 39) Balances of all \_\_\_\_\_ accounts are required to be closed on the last day of the accounting year.  
**(a) Nominal** (b) Personal (c) Real (d) Representative personal
- 40) \_\_\_\_\_ account is the second part of income statement.  
 (a) Trading **(b) Profit and Loss** (c) Profit and Loss (d) Final
- 41) Which one is correctly matched?  
**(a) Bad debts - Indirect expense** (b) Wages - Asset (c) Salary - Trading account (d) Net Profit - Asset
- 42) \_\_\_\_\_ is a summary of the personal and real accounts.  
**(a) Balance sheet** (b) Final account (c) Trading account (d) Profit and loss account
- 43) Marshaling can be made in one of the \_\_\_\_\_ ways.  
 (a) three **(b) two** (c) four (d) five
- 44) These are the assets which get exhausted gradually in the process of excavation.  
**(a) Wasting assets** (b) Nominal assets (c) Liquid assets (d) Current assets
- 45) Balance sheet may be prepared \_\_\_\_\_  
 (a) on any date (b) only on a specific day or date **(c) usually at the end of the accounting period**  
 (d) at the end of five years of business
- 46) Carriage outwards will be shown  
 (a) in the trading account (b) in the profit and loss account **(c) in the liabilities side of balance sheet**  
 (d) in the assets side of balance sheet
- 47) Commission paid appearing in the trial balance is shown on the \_\_\_\_\_  
 (a) debit side of trading account **(b) debit side of the profit and loss account** (c) assets side of the balance sheet  
 (d) liabilities side of the balance sheet
- 48) Preliminary expenses are shown

(a) on the debit side of trading account (b) on the debit side of Profit and loss account

(c) on the liabilities side of the balance sheet **(d) on the assets side of the balance sheet**

49) Selling and distribution expenses \_\_\_\_\_

**(a) shown on the debit side of profit and loss account** (b) subtracted from purchases (c) added to sales

(d) shown on the credit side of trading account

50) The difference between revenue from sales and cost o goods sold is found out by preparing \_\_\_\_\_

(a) Profit and loss account **(b) Trading account** (c) Trial balance (d) Balance sheet