Question 1.

When a firm maintains a cash book, it need not maintain

(a) Journal Proper

- (b) Purchases (journal) book
- (c) Sales (journal) book

(d) Bank and cash account in the ledger

▼ Answer

Answer: (d) Bank and cash account in the ledger

Question 2. Double column cash book records (a) All transactions (b) Cash and bank transactions (c) Only cash transactions (d) Only credit transactions

▼ Answer

Answer: (b) Cash and bank transactions

Question 3.

Goods purchased on cash are recorded in the (a) Purchases (journal) book (b) Sales (journal) book

(c) Cash book

(d) Purchases return (journal) book

Answer

Answer: (c) Cash book

Question 4. Cash book does not record transaction of: (a) Cash nature (b) Credit nature (c) Cash and credit nature (d) None of these

Answer

Answer: (b) Credit nature

Question 5. Total of these transactions is posted in purchase account: (a) Purchase of furniture (b) Cash and credit purchase (c) Purchases return (d) Purchase of stationery

Answer

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Question 6.

The periodic total of sales return journal is posted to :

(a) Sales account

- (b) Goods account
- (c) Purchases return account
- (d) Sales return account

▼ Answer

Answer: (d) Sales return account

Question 7. Credit balance of bank account in cash book shows : (a) Overdraft (b) Cash deposited in our bank (c) Cash withdrawn from bank (d) None of these

▼ Answer

Answer: (a) Overdraft

Question 8.

The periodic total of purchases return journal is posted to :

(a) Purchase account

(b) Profit and loss account

- (c) Purchase returns account
- (d) Furniture account

Answer

Answer: (c) Purchase returns account

Question 9. Balancing of account means (a) Total of debit side (b) Total of credit side (c) Difference in total of debit & credit (d) None of these

▼ Answer

Answer: (c) Difference in total of debit & credit

Fill in the Correct Words

Question 1. Cash book is a journal.

Answer

Answer: Subsidiary

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Question 2.

In Journal proper, only discount is recorded.

Answer

Answer: Cash

Question 3.

Return of goods purchased on credit to the suppliers will be entered in Journal.

Answer

Answer: Purchases Return

Question 4.

Assets sold on credit are entered in

Answer

Answer: Journal Proper

Question 5. Double column cash book records transaction relating to and

Answer

Answer: Cash, Bank

Question 6. Total of the debit side of cash book is than the credit side.

Answer

Answer: More

Question 7. Cash book does not record the transactions.

▼ Answer

Answer: Credit

Question 8. In double column cash book transactions are also recorded.

Answer

Answer: Bank

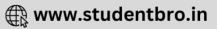
Question 9. Credit balance shown by a bank column in cash book is

Answer

Answer: Overdraft

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Question 10.

The amount paid to the petty cashier at the beginning of a period is known as amount.

▼ Answer

Answer: Imprest

Question 11.

In purchase book goods purchased on are recorded.

Answer

Answer: Credit

State whether the following statements are True or False

Question 1. Journal is a book of secondary entry.

Answer

Answer: False

Question 2.

One debit account and more than one credit account in a entry is called compound entry.

Answer

Answer: True

Question 3. Assets sold, on credit are entered in sales journal.

▼ Answer

Answer: False

Question 4. Cash and credit purchases are entered in purchase journal.

▼ Answer

Answer: False

Question 5.

Cash sales are entered in sales journal.

Answer

Answer: False

Question 6. Cash book records transactions relating to receipts and payments.

Answer

Answer: True

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Question 7. Ledger is a subsidiary book.

▼ Answer

Answer: True

Question 8.

Petty cash book is a book having record of big payments.

Answer

Answer: False

Question 9. Cash received is entered on the debit side of cash book.

▼ Answer

Answer: True

Question 10. Transaction recorded both on debit and credit side of cash book is known as contra entry.

▼ Answer

Answer: True

Question 11. Balancing of account means total of debit and credit side.

▼ Answer

Answer: False

Question 12. Credit purchase of machine is entered in purchase journal.

Answer

Answer: False



