

## Chapter - 4 Recording of Transactions -2

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### Question 1

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

1. Journal Proper
2. Purchases (journal) book
3. Sales (journal) book
4. Bank and cash account in the ledger

**Answer:** Bank and cash account in the ledger

### Question 2

Double column cash book records:

1. All transactions
2. Cash and bank transactions
3. Only cash transactions
4. Only credit transactions

**Answer:** Cash and bank transactions

### Question 3

Goods purchased on cash are recorded in the

1. Purchases (journal) book
2. Sales (journal) book
3. Cash book
4. Purchases return (journal) book

**Answer:** Cash book

### Question 4

Cash book does not record the transaction of

1. Cash nature
2. Credit Nature
3. Cash and credit nature
4. None of these

**Answer:** Credit Nature

**Question 5**

Total of these transactions is posted in purchase account

1. Purchase of furniture
2. Cash and credit purchase
3. Purchases return
4. Purchase of stationery

**Answer:** Cash and credit purchase

**Question 6**

The periodic total of sales return journal is posted to

1. Sales account
2. Goods account
3. Purchases return account
4. Sales return account

**Answer:** Sales return account

**Question 7**

The credit balance of bank account in cash book shows

1. Overdraft
2. Cash deposited in our bank
3. Cash is withdrawn from the bank
4. None of these

**Answer:** Cash deposited in our bank

**Question 8**

The periodic total of purchases return journal is posted to

1. Purchase account
2. Profit and loss account
3. Purchase returns account
4. Furniture account

**Answer:** Purchase returns account

**Question 9**

Balancing of account means

1. Total of debit side
2. Total of credit side
3. A difference in the total of debit & credit
4. None of these

**Answer:** A difference in the total of debit & credit

**Question 10**

Journal is a book of secondary entry. Is it true or false?

**Answer:** False

**Question 11**

One debit account and more than one credit account in an entry are called compound entry. Is it true or false?

**Answer:** True

**Question 12**

Assets sold on credit are entered in the sales journal. Is it true or false?

**Answer:** False