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1)

The closing balance of petty cash book is considered as

- A) Liability
- B) **Asset**
- C) Expenses
- D) Income

2)

Payment of rent expenses is recorded on which side of cash book?

- A) Receipts
- B) **Payments**
- C) Income
- D) Expense

3)

An entry which is made on both sides of a cash book is called

- A) Cash entry
- B) **Contra entry**
- C) Payment entry
- D) Compound entry

4)

A cash book with cash, bank and discount column is commonly referred as

- A) Cash book
- B) Two columns cash book
- C) **Three columns cash book**
- D) Petty cash book

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5)

Cash book records

- A) Cash payments
- B) Cash receipts
- C) **Cash payments and cash receipts**
- D) Neither cash payments nor cash receipts_

6)

Cash discount is allowed on _____ repayment of debt

- A) Lump sum
- B) **Prompt**
- C) Actual
- D) None of them

7)

Cash book is prepared by

- A) Bank
- B) **Accountant of business**
- C) Manager of a company
- D) Bank's cashier

8)

The most common imprest system is the _____ system

- A) **petty cash**
- B) Cash book
- C) Cash receipt
- D) Discount

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9)

Discount received is recorded on which of the following side of a cash book?

- A) Receipts
- B) **Payments**
- C) Incomes
- D) Expenditures

10)

Drawings by owner of business are generally recorded on which of the following side of a cash book?

- A) Receipts
- B) **Payments**
- C) Incomes
- D) Expenditures

11)

Introduction capital by owner of business is recorded on which side of a cash book?

- A) **Receipts**
- B) Payments
- C) Incomes
- D) Expenditures

12)

Cash book with cash and discount column is mostly referred as

- A) Simple cash book
- B) **Two column cash book**
- C) Three column cash book
- D) Petty cash book

13)

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A cash book that is used to record the small payments of cash is generally referred as

- A) Simple cash book
- B) Two column cash book
- C) Three column cash book
- D) **Petty cash book**

14)

A simple or one column cash book usually has which of the following main columns?

- A) Bank
- B) Payments
- C) Discount
- D) **Cash**

15)

Purchase of office equipment for cash will be recorded on which of the following sides of a cash book?

- A) Receipts
- B) **Payments**
- C) Incomes
- D) Expenditures

16)

Postdated checks are considered as

- A) Cash
- B) Bank balance
- C) **Accounts receivable**
- D) Cash reserve

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17)

Postage stamps on hand are considered as

- A) Bank
- B) **Prepaid expenses**
- C) Accounts receivable_
- D) Creditor

18)

Petty cash fund is supposed to be replenished

- A) Every day
- B) Every half year
- C) Every year
- D) **At the end of every accounting period**

19)

Which of the following is generally not the party to a check?

- A) Payee
- B) Payer
- C) Bank
- D) **Seller**

20)

A credit balance in cash book indicates

- A) Bank balance
- B) Cash at bank
- C) **Bank overdraft**
- D) Bank under draft