

# JL TEST Conducted By JobLana

## Section 4- Accounting

1- Which of the following balance sheet equations is wrong?

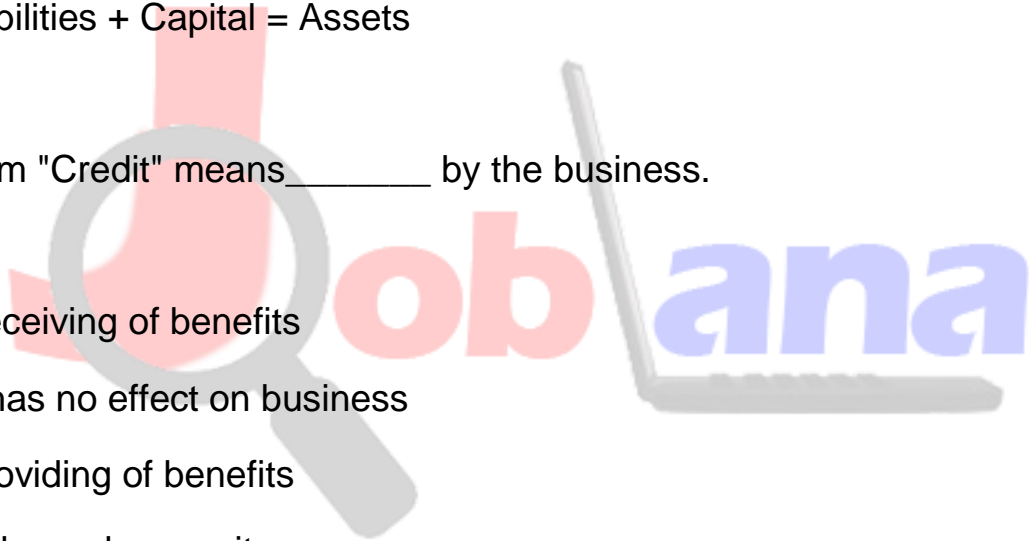
- A.  $\text{Assets} + \text{Liabilities} = \text{Capital}$
- B.  $\text{Assets} - \text{Liabilities} = \text{Capital}$
- C.  $\text{Assets} - \text{Capital} = \text{Liabilities}$
- D.  $\text{Liabilities} + \text{Capital} = \text{Assets}$

2- Term "Credit" means \_\_\_\_\_ by the business.

- A) Receiving of benefits
- B) It has no effect on business
- C) Providing of benefits
- D) It depends upon items

3- Which financial statement displays the revenues and expenses of a company for a period of time?

- A. Income Statement
- B. Balance Sheet
- C. Cash Flow Statement



## D. Statement Of Stockholder's Equity

4- FRS 18 emphasized 4 accounting concepts; Those are

- A. Comparability, Relevance, Reliability and Understandability
- B. Comparability, Relevance, Matching and Entity
- C. Money Management, Comparability, Relevance and Understandability
- D. Historical Cost, Comparability, Reliability and Understandability

5- What is the amount of gross profit/loss when opening stock is Rs. 18,000, purchases Rs. 78,000, cost of good sold Rs. 1,06,000 and sales Rs. 1,49,000?

- A. Rs. 54,000 profit
- B. Rs. 43,000 loss
- C. Rs. 43,000 profit
- D. Rs. 93,000 loss

6- Which of the following would not be found on a standardized income statement?

- A. Turnover
- B. Other Operating Income
- C. Value of Intangible Non-current Assets

## D. Distribution Costs

7- The unfavorable balance of Profit and Loss account should be:

- A. Added in liabilities
- B. Subtracted from current assets
- C. Subtracted from capital
- D. Subtracted from liabilities

8- Which of the following would not be found on a standardized balance sheet?

- A. Inventory
- B. Accruals and Deferred Income
- C. Extraordinary Charges
- D. Creditors due and payable after more than one year

9- The distinction between a current asset and other assets:

- A. is based on how long the asset has been owned.
- B. is based on amounts that will be paid to other entities within a year.
- C. is based on the ability to determine the current fair market value of the asset.
- D. is based upon whether the asset is tangible or intangible.

10- The unfavorable balance of Profit and Loss account should be:

- A. Added in liabilities
- B. Subtracted from current assets
- C. Subtracted from capital
- D. Subtracted from liabilities

