

CA CPT Account test Rectification of Errors

Test ID :043

Date : 28/07/2017 Time :01:00:00

Instruction for Qusetion 1 To 50 MCQ

- Qn.1) Which of the following error can affect the agreement of trial balance?** [1]
A. Wrong to talling of subsidiary books B. Error of principle C. Compensating errors D. All of the above
- Qn.2) Rs. 5000 paid as cartage on new Plant and Machinery, this was debited to carriage inward A/c. This is an error of-** [1]
A. Principle B. Omission C. Commission D. Compensating
- Qn.3) Paid rent to land lord Rs 2,400 debited to land lord's A/c by Rs 2004. Rectifying entry will be_____** [1]
A. Rent A/c Dr. 2,400 To landlord 2,400 B. Rent A/c Dr. 2,004 To landlord 2,004 C. Rent A/c Dr. 2,400 To landlord 2,004 To suspense 396 D. Non of the three
- Qn.4) Total of sales book was understated by Rs 200. Rectification entry will be:** [1]
A. Sales A/c Debit, Suspense A/c Credit B. Suspense A/c Debit, Sales A/c Credit C. Debtor A/c Debit, Sales A/c Credit D. Sales A/c Debit, Debtors A/c Credit
- Qn.5) Which of these is an error of commision** [1]
A. Wrong casting of subsidiary books B. Errors of carry forward C. Errors of posting D. All the three
- Qn.6) An item of Rs 500 relating to prepaid rent account was omitted to be brought forward. The rectifying journal entry will be** [1]
A. Rent A/c Dr 500 To cash 500 B. Prepaid rent A/c Dr 500 To cash 500 C. Prepaid rent A/c Dr 500 To suspense 500 D. None of the three
- Qn.7) When any particular transaction has not at all been entered in the journal or in the book of original entry, it cannot be posted into the ledger at all, such error are known as.....** [1]
A. Errors of partial omission B. Errors of complete omission C. Errors of principle D. Compensating errors
#RightAnswer: b
- Qn.8) A sold goods to B on credit for Rs. 10,000 but debited to C instead of B. What will be effected** [1]
A. trail balance B. individual account C. balance sheet D. total debtors
- Qn.9) The total of the returns outward book, Rs. 420 has not been posted in the ledger. Suspense A/c will be debited to rectify the error in Return Outward Book.** [1]
A. True B. False C. Partly True D. None of the above
- Qn.10) Accounting errors can be classified into.....** [1]
A. Errors of principle B. Clerical errors C. Both (a) & (b) D. None of the above
- Qn.11) Balance of suspense a/c is transferred to** [1]
A. Profit and loss A/c B. Balance sheet C. Trading A/c D. Nowhere
- Qn.12) Error relating to fundamental aspect of accounting is known as.** [1]
A. Error of Principle B. Error of Omission C. Error of Commission D. Compensating Error.
- Qn.13) The goods sold for Rs 900 but the amount was entered in the Sales Account as Rs 1080. On Rectification, suspense account will be :** [1]
A. Debited by Rs 180 B. Credited by Rs 180 C. Debited by Rs 1080 D. Credited by Rs 1080
- Qn.14) Cash received from A Rs. 1,000 was posted to credit of B. The rectification entry is-** [1]
A. B's A/c Dr. 1,000; To A's A/c 1,000 B. Cash A/c Dr. 1,000; To B's A/c 1,000 C. Cash A/c Dr. 1,000; To A's A/c 1,000 D. No Entry
- Qn.15) A purchase of Rs 1,870 by cheques has been wrongly posted in the cashbook as Rs 1,780. This has the effect of** [1]
A. Increasing the bank balance by Rs 90. B. Decreasing the bank balance by Rs 90 C. Increasing the bank balance by Rs 180 D. Decreasing the bank balance by Rs 180

Qn.16) Bill accepted by Govinda was discounted with the bank for Rs 2000. On the due date the bill was dishonoured. However, there is error of Omission towards Bills dishonoured. Journal Entry for rectification will be:- [1]
 A. B/R A/c Dr. To Bank A/c B. Govinda A/c Dr. To B/R A/c C. Govinda A/c Dr. To Bank A/c D. Bank A/c Dr. To B/R A/c

Qn.17) Which of the following errors will be revealed by the trial balance? [1]
 A. Errors of principle B. Compensating errors C. Wrong balancing of an account D. Both (a) & (b)

Qn.18) Which of the following error can be disclosed by trial balance? [1]
 A. Wrong totalling of subsidiary books B. Posting of an amount on the wrong side C. Omission to post an amount into ledger on one side D. All of the above

Qn.19) Cartage Rs. 780 paid on machinery newly acquired was debited to carriage inward account. If this error located after preparation of trial then which of the following rectification entry is correct? [1]

A.

Machinery A/c Dr.	780
Carriage Inwards Dr.	780
To Profit & Loss Adj. A/c	1,560

B.

Machinery A/c Dr.	780
To Carriage Inwards A/c	780

C.

Suspense A/c Dr.	1,560
To Machinery A/c	780
To Carriage Inwards A/c	780

D.

Carriage Inwards A/c Dr.	900
To Machinery A/c	900

Qn.20) A sum of Rs. 200 drawn by proprietor was debited to traveling expenses account. Due to rectification of this error, net profit will – [1]
 A. Increase by Rs. 200 B. Decrease by Rs. 200 C. Not change D. Increase by Rs. 400

Qn.21) Returns outwards book was undercast by Rs. 150. If this error located after preparation of final account then which of the following rectification entry is correct? [1]

A.

Suspense A/c Dr.	150
To Profit & Loss Adj. A/c	150

B.

Profit & Loss Adj. A/c Dr.	150
To Suspense A/c	150

C.

Returns Outwards A/c Dr.	150
To Profit & Loss Adj. A/c	150

D.	
Profit & Loss Adj. A/c Dr.	150
To Returns outwards A/c	150

- Qn.22) Which of the following errors will not affect the agreement of trial balance?** [1]
 A. Errors of Complete Omission B. Compensatory Errors C. Errors of Principle D. All of the above
- Qn.23) Credit sales to A of Rs. 500 recorded in Purchase Book.** [1]
This error is discovered after concerned final accounts were prepared.
The rectification entry is-
 A. A's A/c Dr. 500; To Sales A/c 500 B. A's A/c Dr. 1,000; To P & L Adj. A/c 1,000 C. Purchase A/c Dr. 500; To Sales A/c 500 D. A's A/c Dr. 500; To P & L Adj. A/c 500
- Qn.24) Which of the following statement is true?** [1]
 A. Error of totalling is an error of principal. B. Agreement of trial balance is not affected by error of principal. C. Error of principal does not affect profit & loss for the period. D. All of the above
- Qn.25) Cheque of Rs 700 received from hariram in settlement of a debt of Rs 720, was dishonoured and returned. Entry for dishonour will be** [1]
 A. Hari Ram Dr. 700 To bank 700 B. Bank Dr. 700 discount Dr. 20 To Hari Ram 720 C. Hari Ram Dr. 720 To bank 700 To Discount 20 D. None of the three
- Qn.26) Commission paid to Mr. Dixit Rs. 225 was posted twice to Commission account. The rectification is done by** [1]
 A. Writing 'Error in Posting' Rs. 225 on credit side of Mr. Dixit A/c in ledger. B. Passing a rectification entry in Journal proper crediting commission A/c by Rs. 225 C. Writing 'Error in posting' Rs. 225 on credit side of commission A/c in ledger D. Passing a rectification entry in Journal proper debiting commission A/c by Rs. 225
- Qn.27) Cash Rs. 6750 paid to M but debited to N account. What would be the effect?** [1]
 A. Trial balance B. Balance sheet C. Individual ledgers D. total debtors
- Qn.28) Rs. 500 paid for repairs of the machinery are debited to machinery account. The rectification entry is-** [1]
 A. Repairs A/c Dr. 500; To Machinery A/c 500 B. Machinery A/c Dr. 500; To Cash A/c 500 C. Repairs A/c Dr. 500; To Cash A/c 500 D. None of the above
- Qn.29) Sale to Mr. Z of Rs 3000 on credit was recorded twice in the sales book. The rectification entry is :** [1]
 A. Mr. Z will be credited B. Mr. Z will be debited C. Sales account will be credited D. None
- Qn.30) Mistake in transferring the balance of an account to the trial balance or omitting to write the balance of an account in the trial balance is.....** [1]
 A. Errors of principle B. Errors of commission C. Errors of omission D. Compensating errors
- Qn.31) Trial balance is prepared to** [1]
 A. Comply with legal requirement B. Comply with Accounting standards C. Check arithmetic correctness of books of A/c D. To ensure true and fair view of books of A/c
- Qn.32) Purchase from D of Rs. 1,590 was recorded at Rs. 1,950. The rectification entry is-** [1]
 A. D's A/c Dr. 1,590; To Purchase A/c 1,590 B. Purchase A/c Dr. 1,950; To D's A/c 1,590 C. D's A/c Dr. 360; To Purchase 360 D. Purchase A/c Dr. 360; To D's A/c 360
- Qn.33) The total of 'Discount allowed' column in the cash book for the month of September, 2012 amounting to Rs 250 was not posted. Rectifying entry for the same will be** [1]
 A. Suspense A/c Dr 250; To discount A/c 250 B. Discount A/c Dr 250; To suspense A/c 250 C. Discount A/c 250; To customer A/c 250 D. None of the three
- Qn.34) Rs. 6,000 being the cost of purchase of office furniture was entered in the purchases book. If this error located after preparation of final account then which of the following rectification entry is correct?** [1]
 A.

A.	
----	--

Office Furniture A/c Dr.	6,000
To Profit & Loss Adj. A/c	6,000

#b]

Office Furniture A/c Dr.	6,000
To Suspense A/c	6,000

B. C.

Profit & Loss Adj. A/c Dr.	6,000
To Office Furniture A/c	6,000

D.

Suspense A/c Dr.	6,000
To Office Furniture A/c	6,000

Qn.35) Profit & Loss Adjustment Account is used- [1]
 A. To rectify all the errors in the year of occurrence of errors B. To rectify all the errors involving real accounts in the subsequent year C. To rectify all the errors involving nominal accounts in the subsequent year so as not to affect the profit or loss of that period D. None of these

Qn.36) Sale of old furniture is erroneously entered in sales book. Rectification entry will be: [1]
 A. Debit Sales A/c, Credit Furniture A/c B. Debit Furniture A/c, Credit Sales A/c C. Debit Debtor A/c, Credit Furniture A/c D. Debit Sales A/c, Credit Debtor A/c

Qn.37) Rs. 3,750 paid on account of salary to the cashier Dhawan stands debited to his personal account. Which of the following rectification entry is correct? [1]

A.

Suspense A/C Dr.	3750
To Dhawan A/C	3750

B.

Dhawan A/C Dr.	3750
To suspense A/C	3750

C.

salaries A/C Dr.	3750
To suspense A/C	3750

D.

salaries A/C Dr.	3750
To Dhawan A/C	3750

Qn.38) Mistake in balancing an account is..... [1]
 A. Errors of principle B. Errors of commission C. Errors of omission D. Complete omission

Qn.39) Goods purchased from A for Rs. 10,000 passed through the sales book. The error will result in [1]
 A. Increase in gross profit B. Decrease in gross profit C. No effect on gross profit D. Either 1 or 2

Qn.40) Rs. 2,750 received from Sohan was credited to Mohan as Rs. 2,750. If rectification is done before preparation of trial balance then which of the following rectification entry will be correct? [1]
 A. _____

Sohan A/c	Dr.	2,750
To Mohan A/c		2,750

B.

Mohan A/c	Dr.	2,750
To Sohan A/c		2,750

C.

Suspense A/c	Dr.	2,750
To Mohan A/c		2,750

D.

Mohan A/c	Dr.	2,750
To Suspense A/c		2,750

- Qn.41)** Shyam prepared a trial balance for his factory on 31st March, 2012. The debit total of the trial balance was short by Rs 500. He transferred the deficiency to a suspense account. In April, 2012 after a close examination, he found that the purchases day book for September, 2011 was under caste by Rs 500. The necessary journal entry to rectify the error will be [1]
 A. Purchases A/c Dr Rs 500 To Cash A/c Rs 500 B. Suspense A/c Dr Rs 500 To Purchase A/c Rs 500
 C. Purchases A/c Dr Rs 500 To Suspense A/c Rs 500 D. None of the above
- Qn.42)** Cash received from Kamal Rs. 271 has been posted to the credit of Vimal's Account in the Ledger. The rectification entry is - [1]
 A. Vimal will be credited by Rs. 271 B. Vimal will be debited by Rs. 271 C. Kamal will be debited by Rs. 271 D. Suspense A/c will be debited by Rs. 271
- Qn.43)** Sale of Plant for Rs. 50000 was included in sales though the second effect was correct (Amount was deposited in the bank). The rectification entry is - [1]
 A. Sales A/c Dr. 50000; To Plant A/c 50000 B. Bank A/c Dr. 50000; To Plant A/c 50000 C. Bank A/c Dr. 50000; To Sales A/c 50000 D. None of the above
- Qn.44)** A trial balance will not balance if [1]
 A. A correct entry is posted twice B. Rs 5,000 received from Harish is posted in the credit side of Hari
 C. Sales on credit basis is credited to sales account and debited in cash account. D. Goods of Rs 2,500 returned to Ram is added into the purchases
- Qn.45)** A builder's bill for Rs. 3,400 for the erection of a small shed was debited to repairs account. Due to rectification of this error, net profit will - [1]
 A. Increase by Rs. 6,800 B. Decrease by Rs. 3,400 C. Not change D. Increase by Rs. 3,400
- Qn.46)** Which of these errors affect only one account? [1]
 A. Errors of casting B. Errors of carry forward C. Errors of posting D. All the three
- Qn.47)** Discount allowed by Arun to Varun. Which is the Correct entry to be made by Arun? [1]
 A. Credit Varun A/c & Debit Discount allowed A/c B. Debit Varun A/c & Credit Discount Received A/c
 C. Credit Arun A/c & Debit Discount Allowed A/c D. Debit Arun A/c & Credit Discount Received A/c
- Qn.48)** If accountant does not post the journal entry in journal, it will be classified as..... [1]
 A. Errors of principle B. Errors of commission C. Compensating errors D. Errors of complete omission
- Qn.49)** An entry of Rs. 5,400 has been debited to X's account at Rs. 4,500. It is an error of [1]
 A. principle B. omission C. commission D. wrong posting
- Qn.50)** Sale of B of Rs. 1,000 was recorded twice in sales book. This rectification entry is- [1]
 A. Sales A/c Dr. 1,000; To B's A/c 1,000 B. Sales A/c Dr. 1,000; To Purchase 1,000 C. B's A/c Dr. 1,000; To Sales 1,000 D. No Entry

