

## Recording of Transactions 2

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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

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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

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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

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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

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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](#)

Answer: (b) Cash and credit purchase

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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

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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- (c) Cash withdrawn from bank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

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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

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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

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### [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

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Question 3.

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

▼ [Answer](#)

Answer: Purchases Return

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Question 4.

Assets sold on credit are entered in .....

▼ [Answer](#)

Answer: Journal Proper

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Question 5.

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

▼ [Answer](#)

Answer: Cash, Bank

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Question 6.

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

▼ [Answer](#)

Answer: More

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Question 7.

Cash book does not record the ..... transactions.

▼ [Answer](#)

Answer: Credit

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Question 8.

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

▼ [Answer](#)

Answer: Bank

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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

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Question 11.

In purchase book goods purchased on ..... are recorded.

▼ [Answer](#)

Answer: Credit

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[State whether the following statements are True or False](#)

Question 1.

Journal is a book of secondary entry.

▼ [Answer](#)

Answer: False

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Question 2.

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

▼ [Answer](#)

Answer: True

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Question 3.

Assets sold, on credit are entered in sales journal.

▼ [Answer](#)

Answer: False

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Question 4.

Cash and credit purchases are entered in purchase journal.

▼ [Answer](#)

Answer: False

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Question 5.

Cash sales are entered in sales journal.

▼ [Answer](#)

Answer: False

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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

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Question 8.  
Petty cash book is a book having record of big payments.

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: True

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

▼ [Answer](#)

Answer: False

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

▼ [Answer](#)

Answer: False

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