

Trial Balance and Rectification of Errors

Question 1.

Agreement of trial balance is affected by

- (a) one sided errors only
- (b) two sided errors only
- (c) both (a) and (b)
- (d) none of the above

▼ [Answer](#)

Answer: (c) both (a) and (b).

Question 2.

Which of the following is not an error of principle?

- (a) Purchase of furniture debited to purchases account.
- (b) Repairs on the overhauling of second hand machinery purchased debited to repairs account.
- (c) Cash received from Manoj posted to Saroj.
- (d) Sale of old car credited to sales account.

▼ [Answer](#)

Answer: (c) Cash received from Manoj posted to Saroj.

Question 3.

Which of the following is not an error of commission?

- (a) Overcasting of sales book.
- (b) Credit sales to Ramesh Rs. 5,000 credited to his account.
- (c) Wrong balancing of machinery account.
- (d) Cash sales not recorded in cash book.

▼ [Answer](#)

Answer: (d) Cash sales not recorded in cash book.

Question 4.

Which of the following errors will be rectified through suspense account?

- (a) Sales return book undercast by Rs. 1,000.
- (b) Sales return by Madhu Rs. 1,000 not recorded.
- (c) Sales return by Madhu Rs. 1,000 recorded as Rs. 100.
- (d) Sales return by Madhu Rs. 1,000 recorded through purchases return book

▼ [Answer](#)

Answer: (a) Sales return book undercast by Rs. 1,000.

Question 5.

If the trial balance agrees, it implies that:

- (a) there is no error in the books.
- (b) there may be two sided errors in the book.
- (c) there may be one sided error in the books.
- (d) there may be both two sided and one sided errors in the books.

▼ [Answer](#)

Answer: (b) there may be two sided error in the books.

Question 6.

If suspense account does not balance off even after rectification of errors it implies that:

- (a) there are some one sided errors only in the books yet to be located.
- (b) there are no more errors yet to be located.
- (c) there are some two sided errors only yet to be located.
- (d) there may be both one sided errors and two sided errors yet to be located.

▼ Answer

Answer: (a) there are some one sided errors only in the books yet to be located.

Question 7.

If wages paid for installation of new machinery is debited to wages account, it is

- (a) an error or commission.
- (b) an error of principle
- (c) a compensating error.
- (d) an error of omission.

▼ Answer

Answer: (b) an error of principle.

Question 8.

Trial balance is:

- (a) an account.
- (b) a statement.
- (c) a subsidiary book.
- (d) a principal book.

▼ Answer

Answer: (b) a statement.

Question 9.

A trial balance is prepared:

- (a) after preparation financial statement.
- (b) after recording transactions in subsidiary books.
- (c) after posting to ledger is complete.
- (d) after posting to ledger is complete and accounts have been balanced.

▼ Answer

Answer: (d) after posting to ledger is complete and accounts have been balanced

Fill in the blanks

Question 1.

An item is posted to the wrong side of an account. The error will be of the amount.

▼ Answer

Answer: double

Question 2.
Errors of principle affect the Trial Balance.

▼ [Answer](#)

Answer: do not

Question 3.
If an accounting error has increased the profit, for correction, profit and loss account, will be

▼ [Answer](#)

Answer: debited

Question 4.
A Trial Balance despite the existence of several errors in the books.

▼ [Answer](#)

Answer: tallies

Question 5.
Undercasting in wages account is rectified by suspense account and wages account.

▼ [Answer](#)

Answer: crediting, debiting

Question 6.
Overcasting in salaries account is rectified by suspense account and salaries account.

▼ [Answer](#)

Answer: debiting, crediting

Question 7.
If the Trial Balance does not it indicates that some have been committed.

▼ [Answer](#)

Answer: tally, errors

Question 8.
Journal entries passed to correct errors are called

▼ [Answer](#)

Answer: rectifying entries

Question 9.
The last step of preparing Trial Balance is to ascertain the of its two amount columns.

▼ [Answer](#)

Answer: sum

Question 10.

While preparing the ledger account balances are carried from the Trial Balance.

▼ [Answer](#)

Answer: financial statement
