

Accountant Interview Questions And Answers Guide.



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Accountant Job Interview Preparation Guide.

Question # 1

Tell me why did you select accounting as profession?

Answer:-

Well, I was quite good in accounting throughout but in my masters, when I got distinction I decided to adopt this field as a profession.

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Question # 2

Tell me if you have any professional experience of this field?

Answer:-

Yes, I have worked as an accountant at two different places.

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Question # 3

Did you ever used accounting applications at your previous companies or prefer working manually?

Answer:-

Yes, I have used Advanced Business Solutions and AME Accounting Software in my previous jobs.

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Question # 4

Tell me name of any other accounting application?

Answer:-

Yes, I am familiar with CGram Software, Financial Force, Microsoft Accounting Professional, Microsoft Dynamics AX and Microsoft Small Business Financials.

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Question # 5

Why and which accounting application you prefer most?

Answer:-

I think all are good though but Microsoft Accounting Professional is best because it offers reliable and fast processing of accounting transactions that saves time and increases proficiency.

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Question # 6

Explain fair value accounting?

Answer:-

As per fair value accounting, a company has to show the value of all of its assets in terms of price on balance sheet on which that asset can be sold.

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Question # 7

What is trade bills?

Answer:-

We know that all types of transactions need to be documented. The trade bills are the documents, generated against each transaction.

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Question # 8



What is overhead in terms of accounting?

Answer:-

It is the indirect expenditure of a company such as salaries, rent dues etc.

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Question # 9

What is offset accounting?

Answer:-

Offset accounting is one that decreases the net amount of another account to create a net balance.

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Question # 10

Can you please explain the difference between provision and reserve?

Answer:-

Provisions are the liabilities or the anticipated items such as depreciation. You can say provisions are expenses. Reserves are the profits of any company and a part of that profit is placed back to the business to keep it sustainable in tough times of a company.

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Question # 11

What is the mean of partitioning in accounting?

Answer:-

It is a kind of groups made on the basis of same responses by a system.

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Question # 12

What is Scrap value in accounting?

Answer:-

It is the residual value of an asset. The residual value is the value that any asset holds after its estimated life time.

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Question # 13

What is marginal cost in Accounting?

Answer:-

Suppose you have to produce an additional unit of output. The estimated cost of additional inputs to produce that output is actually the marginal cost.

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Question # 14

Do you know how much statistics knowledge is necessary or required in accounting?

Answer:-

You must be very good at statistics if you want to do well in accounting. Otherwise, with minimum knowledge you cannot manage your day to day transactions effectively in accounting.

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Question # 15

What is the mean of balancing in accounting?

Answer:-

Balancing means to equate both sides of the T-account i.e. the debit and credit sides of a T-account must be equal/balanced.

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Question # 16

Can you please explain the difference between consignor and consignee?

Answer:-

Consignor is the owner of the goods or you can say he is the person who delivers the goods to the consignee. The consignee is the person who receives the goods.

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Question # 17

What is depreciation and its types?

Answer:-

By depreciation we mean that a value of an asset is decreasing as it is in use. It has two types such as "Straight Line Method" and "Written Down Value Method".

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**Question # 18**

What is bills receivable in Accounting?

Answer:-

All types of exchange bills, bonds and other securities owned by a merchant that is payable to him are said as bills receivable.

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Question # 19

Tell me how much mathematics knowledge is necessary or required in accounting?

Answer:-

Not much knowledge but basic mathematical background is required in accounting for operations like addition, subtraction, multiplication and division.

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Question # 20

What is retail banking in Accounting?

Answer:-

It is a type of banking that involves a retail client. These clients are the normal people and not any organizational customers.

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Question # 21

What is company's payable cycle?

Answer:-

It is the time required by the company to pay all its account payables.

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Question # 22

Tell me have you ever prepared MIS reports and what are these?

Answer:-

Yes, I have prepared few MIS reports during my previous jobs. MIS reports are created to identify the efficiency of any department of a company.

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Question # 23

What is the term material facts in accounting?

Answer:-

Material facts are the bills or any document that becomes the base of every account book. It means that all those documents, on which account book is prepared, are called material facts.

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Question # 24

What is the mean of purchase return in accounting?

Answer:-

It is the term introduced in the records for every defective or unsatisfactory good returned back to its supplier.

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Question # 25

What is dual aspect term in accounting?

Answer:-

As the name implies, the dual aspect concept states that every transaction has two sides. For example, when you buy something, you give the cash and get the thing. Similarly, when you sale something, you lose the thing and gets the money. So this getting and losing is basically two aspects of every transaction.

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Question # 26

Can you please explain the difference between Accounting and Auditing?

Answer:-

Accounting is all about recording daily business activities while auditing is the checking that whether all these events have been noted down correctly or not.

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Question # 27

What are the main branches of accounting?

Answer:-

There are three branches of accounting named as:



- * Financial Accounting
- * Management Accounting
- * Cost Accounting

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Question # 28

Is accounting standards are mandatory if yes, then why?

Answer:-

Yes, I do believe that accounting standards play a very important role to prepare good quality and accurate financial reports. It ensures reliability and relevance in financial reports.

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Question # 29

List project implementation steps?

Answer:-

Project implementation involves six steps in total such as:

- * Identify Need
- * Generate and Screen Ideas
- * Conduct Feasible Study
- * Develop the Project
- * Implement the Project
- * Control the Project

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Question # 30

Can you please explain the difference between public and private accounting?

Answer:-

Public accounting is a type of accounting that is done by one company for another company. Private accounting is done for your own company.

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Question # 31

What is the mean of bank reconciliation statement?

Answer:-

A reconciliation statement is prepared when the passbook balance differs from the cashbook balance.

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Question # 32

What is the mean of executive accounting?

Answer:-

It is a type of accounting that is specifically designed for the business that offers services to users.

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Question # 33

Can you explain the basic accounting equation?

Answer:-

We know that accounting is all about assets, liabilities and capital. Therefore, the accounting equation is:

Assets = Liabilities + Owners Equity.

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Question # 34

What is Public accounting?

Answer:-

Public accounting offers audits and CPA's to review company financial records to ensure accountability. It is for general public.

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Question # 35

What is the mean of ICAI?

Answer:-

It is the abbreviation of Institute of Chartered Accountants in India.

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Question # 36

VAT stands for?



Answer:-

VAT means Value Added Tax.

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Question # 37

How do you define premises in Accounting?

Answer:-

Premises refer to fixed assets that are shown in the balance sheet.

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Question # 38

What is the mean of perpetual or periodic inventory system in Accounting?

Answer:-

In the first one i.e. the perpetual inventory system, the accounts are adjusted on continual basis. In the periodic inventory system, the accounts are adjusted periodically.

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Question # 39

What is the mean of fictitious assets?

Answer:-

These are the assets that cannot be shown or touch. Fictitious assets can only be felt such as good will, rights etc.

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Question # 40

What is the mean of tally accounting?

Answer:-

It is the software used for accounting in small business and shops for managing routine accounting transactions.

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Question # 41

What is the mean of departmental accounting?

Answer:-

It is a type of accounting in which separate account is created for departments. It is managed separately as well as shown independently in the balance sheet.

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Question # 42

What you know about service tax or excise?

Answer:-

It is a kind of hidden tax that is included in the service provided by the service provider and paid by the service receiver.

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Question # 43

Where do you show TDS, In balance sheet?

Answer:-

It is shown on the assets section, right after the head current asset.

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Question # 44

TDS stands for?

Answer:-

TDS abbreviates Tax Deduction at Source.

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Question # 45

What is the mean of balance sheet in Accounting?

Answer:-

It is a statement that states all the liabilities and assets of the company at certain point.

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Question # 46



What types of business transactions are in accounting?

Answer:-

There are two types of transactions in accounting i.e. revenue and capital.

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Question # 47

What is the abbreviation of debit and credit in the accounting terms?

Answer:-

Debit abbreviation is "dr" and credit abbreviation is "cr".

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Question # 48

What is the mean of private Accounting?

Answer:-

Private accounting is done for your own company.

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Question # 49

What is the mean of public accounting?

Answer:-

Public accounting is a type of accounting that is done by one company for another company.

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Question # 50

What is provisions in Accounting?

Answer:-

Provisions are the liabilities or the anticipated items such as depreciation. You can say provisions are expenses.

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Question # 51

What is reserves in accounting?

Answer:-

Reserves are the profits of any company and a part of that profit is placed back to the business to keep it sustainable in tough times of a company.

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Question # 52

Explain ordinary annuity?

Answer:-

In accounting, an ordinary annuity refers to a series of identical cash amounts with each amount occurring at the end of equal time intervals.

An example of an ordinary annuity is the series of semiannual interest payments that are part of a bond payable. For instance, a 10-year bond with a maturity amount of \$10 million and a stated interest rate of 6% will require interest payments of \$300,000 at the end of each of the 20 six-month time intervals.

Another example of an ordinary annuity is a mortgage loan having a fixed interest rate and a series of equal monthly payments that will begin 30 days after the loan is granted. Thus a 15-year mortgage loan will result in an ordinary annuity of 180 equal monthly payments with the first payment due approximately 30 days after the loan is made.

An ordinary annuity is also known as an annuity in arrears.

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Question # 53

Define operating expenses?

Answer:-

Operating expenses are the costs associated with a company's main operating activities and which are reported on its income statement.

For example, a retailer's main operating activities are the buying and selling of merchandise or goods. Therefore, its operating expenses will include:

* Cost of goods sold: These costs are reported as operating expenses on the income statement because of the matching principle. The revenues from the sale of merchandise must be matched with the cost of the merchandise that is sold.

* Selling, general and administrative expenses (SG&A): These costs are reported as operating expenses on the income statement because they pertain to operating the main business during that accounting period. These costs may have expired, may have been used up, or may not have a future value that can be measured.

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Question # 54

Define working capital?

Answer:-

Working capital is defined as current assets minus current liabilities; it tells the financial statement user how much cash is tied up in the business through items such as receivables and inventories and also how much cash is going to be needed to pay off short term obligations in the next 12 months.



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Question # 55

Can a company show positive cash flows but be in grave trouble?

Answer:-

Absolutely. Two examples involve unsustainable improvements in working capital (a company is selling off inventory and delaying payables), and another example involves lack of revenues going forward in the pipeline.

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Question # 56

How is it possible to show positive net income but go bankrupt?

Answer:-

Two examples include deterioration of working capital (i.e. increasing accounts receivable, lowering accounts payable), and financial shenanigans.

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Question # 57

What knowledge about accounting standards you have?

Answer:-

Yes, as per my knowledge there are total 33 accounting standards published so far by ICAI. The purpose of these standards is to implement same policies and practices in any country.

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Question # 58

What is the mean of inactive and dormant accounts?

Answer:-

Yes, both are different terms in accounting. Inactive accounts means that accounts have been closed and will not be used in future as well. While, dormant accounts are those that are not functional today but may be used in future.

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Question # 59

What are the accountant working areas?

Answer:-

In many jurisdictions, professional accounting bodies maintain standards of practice and evaluations for professionals. Accountants who have demonstrated competency through their professional associations' certification exams are certified to use titles such as Chartered Accountant, Chartered Certified Accountant or Certified Public Accountant. Such professionals are granted certain responsibilities by statute, such as the ability to certify an organization's financial statements, and may be held liable for professional misconduct. Non-qualified accountants may be employed by a qualified accountant, or may work independently without statutory privileges and obligations.

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Question # 60

Who is accountant?

Answer:-

An accountant is a practitioner of accounting or accountancy, which is the measurement, disclosure or provision of assurance about financial information that helps managers, investors, tax authorities and others make decisions about allocating resources.

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Question # 61

What knowledge of accounting standards you possess?

Answer:-

Even if you've never had a job in the field before, you should be prepared to answer this question with some knowledge of international accounting standards (IAS). While there are so many facets of IAS that it would be possible to be up to speed on all of them, prior to an interview you should do some research on the most recent changes to these standards and be prepared to discuss.

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Question # 62

Why you want to become accountant?

Answer:-

This fairly standard interview question is a typical warm-up, since it's an opening that breaks the ice and allows the hiring manager to get to know you better. That doesn't mean, however, that it's a throwaway question. You should answer thoughtfully by giving examples of things that happened in your life that led you to the accounting field. Were you the fifth grade class treasurer? Did you save for months to buy your first car? Whatever the scenario, give the interviewer some background about yourself and your studies.

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**Question # 63**

Can you please explain the difference between revenues and receipts?

Answer:-

A company's revenues are amounts it has earned as the result of business activities such as selling merchandise or performing services. Under the accrual method of accounting, revenues are reported on the income statement in the period in which they are earned even when a dependable customer is allowed to pay 60 days later. In this example, when the revenues are earned the company will credit a revenues account and will debit the asset account Accounts Receivable.

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Question # 64

What is CPA (Certified Public Accountant)?

Answer:-

CPA stands for Certified Public Accountant. To become a CPA, one should have to do many other qualifications as well. It is a qualification with 150 hour requirement; it means that one should complete 150 credit hours at any accredited university.

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Question # 65

What have you achieved as an accountant?

Answer:-

I got a very bright future in accounts field.

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