

Accounts Manager Interview Questions And Answers Guide.



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Accounts Manager Job Interview Preparation Guide.

Question # 1

What makes a successful account manager?

Answer:-

Speak confidently when answering questions where success is the subject. You do not have to gush and describe every possible aspect you can think of. Talk about a few key concepts, like communication and negotiation skills, market research and customer prospecting, etc. You will make an even better impression if you give an example from your own professional life to demonstrate your idea.

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Question # 2

Tell me how would you define team work and communication skills in context of account management?

Answer:-

As an account manager, you work on two fronts: the clients and your company. Both require excellent communication skills. You need to earn the trust of both clients and managers, to convince both sides to close the best possible deal. Teamwork is probably more related to coordinating actions with the company, the development, sales, and marketing departments.

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Question # 3

What you do to increase revenues?

Answer:-

An account manager uses the information at his disposal to maintain and increase client interest. Staying current and doing marketing research are key factors to understanding what the customer is getting tired of and what he might become interested in. This information has to be effectively coordinated with the company departments in order to result in a product that will prevent the customer from leaving.

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Question # 4

What are most important qualities of an account manager?

Answer:-

This question tests your confidence, self awareness, and independence. Do not be afraid to speak your mind confidently. The ability to work independently and make decisions is crucial if you are an account manager. This in turn requires being organized and self motivated, with the ability to work with many customers at once. This means outstanding customer service skills.

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Question # 5

Which is important to effective market analysis?

Answer:-

Generally speaking, it is important to do research on a regular basis in relation to every individual client or category of clients. Effective research assesses current situations to project future developments and opportunities for the company. It studies competitors and proposes improvements.

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Question # 6

Which steps you take to locate errors in case Trial Balance disagrees?

Answer:-

In case Trial Balance disagrees, following steps should be taken to locate the errors:

- * Totaling of all the subsidiary books and trial balance should be checked carefully.
- * Opening balances of all the accounts are properly brought down in the current year's books of account.
- * Ledger accounts have been properly balanced and the balances of ledger accounts have been correctly shown in the trial balance.
- * To locate some errors the difference in the trial balance in halved.



- * Another way is dividing the difference in the trial balance by 9.
- * If the difference gets divisible without leaving any remainder that indicates the transposition of the amounts.
- * To locate certain other errors, current year trial balance can be compared with the trial balance of the previous year.

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Question # 7

Define Trial Balance?

Answer:-

Trial Balance is a summary of all the balances of various ledger accounts and Cash/Book accounts of an organisation at any given date. For the preparation of Trial Balance the entire Ledger accounts and Cash book/Bank book are required to be balanced to get the closing balance. Assets and Expenses accounts having debit balance are posted on debit side whereas Income and Liability accounts having credit balance are posted on credit side of the Trial Balance.

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Question # 8

List the reasons which cause pass book of the bank and your bank book not tally?

Answer:-

- * Cheques deposited into the bank but not yet collected
- * Cheques issued but not yet presented for payment
- * Bank charges
- * Amount collected by bank on standing instructions of the concern.
- * Amount paid by the bank on standing instructions of the concern.
- * Interest debited by the bank
- * Interest credited by the bank
- * Direct payment by customers into the bank account
- * Dishonour of cheques
- * Clerical errors

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Question # 9

Describe control ledgers?

Answer:-

In a business, sometimes it is not feasible to carry accounts of all the suppliers and customers in the main ledger. In such cases apart from General or main ledger, the control ledgers are maintained. Control ledgers records the individual accounts. In the end of the period, balance shown in the main ledger has to tally with the balance in the individual ledger accounts maintained in the control ledger.

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Question # 10

What does an accurate Trial Balance suggest?

Answer:-

An accurate Trial Balance is an evidence that all the transactions are recorded and posted in the General Ledger account as per the accounting principles. It also ensures arithmetical accuracy of the process of ledger posting.

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Question # 11

Describe Purchase day book?

Answer:-

Purchase Day book (Purchase Register) is the book of original entry in which all the transactions relating to only credit purchase are recorded. Cash purchases do not find place in purchase day book as they are recorded in Cash book. At the end of every month purchase day book is totalled. The total amount shows the total goods purchased on credit. The total of purchase book is debited to the purchase account and the accounts of the suppliers of goods are credited with the amount standing against their names. Ruling of purchase day book is different from a journal. There are five columns in a purchase day book: first column records Date, second column records name of the supplier, quantity supplied, Rate at which quantity supplied, description, etc., third column records Invoice number, fourth column records Ledger Folio, fifth column records total amount to the supplier.

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Question # 12

What are the types of transactions entered in Journal proper?

Answer:-

The Journal proper is used to record following transactions:

- * Opening Entries
- * Closing Entries
- * Transfer Entries
- * Adjustment Entries
- * Rectification Entries
- * Entries for rare transactions
- * Entries for which there is no special journal

Examples of such transactions are Distribution of goods as free sample, Goods destroyed by fire, etc

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**Question # 13**

What are Closing entries?

Answer:-

Closing Entries at the close of the accounting period balances from the various accounts are transferred in order to balance the books of accounts. Thus, this process of transferring balances of the trading and profit and loss account at the end of year is called closing the books and entries passed at that time are called closing entries.

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Question # 14

What are Adjustment Entries?

Answer:-

Adjustment Entries are passed at the end of an accounting period in order to modify the accounts.

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Question # 15

What are Transfer Entries?

Answer:-

Transfer Entries are the entries which are passed in order to transfer one account to another account.

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Question # 16

What are Opening Entries?

Answer:-

Opening Entries are the entries which are made at the starting of the financial year.

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Question # 17

What are Entries for rare transactions?

Answer:-

Entries for rare transactions Journal proper is used for rare transactions.

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Question # 18

What are Rectification Entries?

Answer:-

Rectification Entries are passed to rectify the error detected the books through an entry in journal proper.

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Question # 19

Define Entries for which there is no special journal?

Answer:-

Entries for which there is no special journal when the transactions cannot be recorded in the above sub journals then the same are entered in the journal proper.

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Question # 20

Define Compound Journal entry?

Answer:-

In day to day business, various similar transactions take place on the same day and every account is either debited or credited. Thus instead of passing different entries, a compound entry can be passed, which involves more than one debit or more than one credit or both. This makes the journal less bulky and avoids duplication.

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Question # 21

Define Journalizing?

Answer:-

Journalizing is the process of recoding business transactions in the Journal in chronological order, as and when the transactions take place. Journal is also known as Book of Original Entry or the Book of Prime Entry.

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Question # 22

What are the columns of a journal?



Answer:-

Journal has following five columns:

- * Date
- * Particulars
- * Ledger
- * Amount Debited
- * Amount Credited

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Question # 23

Define gross profit margin?

Answer:-

Gross Profit Margin = $\frac{\text{Gross Profit}}{\text{Sales or Revenue}}$
Gross Profit = Sales or Revenue - Cost of Goods Sold

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Question # 24

Define accounting report?

Answer:-

Periodic statements showing financial position of a firm/company for a specific period, resulted from its business transactions and operations.

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Question # 25

What are different kind of MIS reports?

Answer:-

Management Information System (MIS) reports are prepared for the management to take key managerial decisions. It may vary from company to company and industry to industry.

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Question # 26

How will you account B company investment in C company in consolidated accounts?

Answer:-

A parent company, acquired 80% of B company, which in turn has already acquired 40% of C company. How will you account profit of C company in consolidated accounts? How will you account B company investment in C company in consolidated accounts?

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Question # 27

Define committed cost?

Answer:-

Committed cost is a fixed cost which results from the decisions of the management in the prior period and is not subject to the management control in the present on a short run basis. They arise from the possession of production facilities, equipment, an organization setup, etc.

Some examples of committed costs are:

plant and equipment depreciation, taxes, insurance premium and rent charges.

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Question # 28

Can you please explain the difference between forecasting and Budget?

Answer:-

Forecasting is done based on the past experiences of the persons in the particular field and predict the cost involved for the particular action or for the data collected about the a project in the past it is done on based of past data.

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Question # 29

Difference between forecasting & Budget?

Answer:-

Budget is the cost involved for the project right from start all the cost regarding materials, men power, place, time to complete the the project with in a time frame and the cost involved it.

In budgeting, a detail study will be done from laying a plan, study the number of methods to do the task, the technology to be use, the alternative way or process, manpower required and their skill level and the time duration from raw material to finished goods conversion and the work in progress must be taken to account and life time of project and return from the project are calculated in black and white based on which decision are taken whether to do the project are not.

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Question # 30

Define appropriation?

**Answer:-**

Money set aside (as by a legislature) for a specific purpose generally for acquisitions by a firm.

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Question # 31

Tell me how FIRC accounting is done?

Answer:-

When any foreign exchange (currency) comes to your bank account Bank wants confirmation from your side as per RBI rule i.e.-what is the purpose of this remittance means how and why got this money? Then You have to submit the purpose/amount/ bank account etc. to the bank.This is the procedure of giving disposal instruction of remittance after this document you can ask to get FIRC.

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Question # 32

Why we cannot depreciate stock?

Answer:-

Depreciation is charged only on fixed assets because we are allocating the total expense of Fixed asset for many years.

Stock is a current asset generally used to sell within a year only.

More importantly we show consumption of stock in Trading A/c through Cost of goods sold.

(i.e., Opening stock + Purchase - Closing Stock)

That means Stock consumption expenses is already booked in Trading A/c hence we do not show again as expense by treating as depreciation.

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Question # 33

Define Asset accounting?

Answer:-

Decrease in the value of assets.

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Question # 34

Can you please explain the difference between payment and charge reversals?

Answer:-

Type of payment: Cash, debit card, credit card, gift certificate, money order, personal check, bill me later, paypal account, paypal alternative.

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Question # 35

What are the various items fall in balance sheet?

Answer:-

(A) asset side items are:

1. cash in hand
2. cash at bank
3. debtor
4. land ,building
5. prepaid expenses
6. bills receivable

(B) liability side:

1. capital
2. bank over draft
3. creditor
4. outstanding expenses
5. bills payable

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Question # 36

Define Contingent Liability?

Answer:-

Contingent Liability is the liability which may / may not occur in future... So, it is shown as notes rather than in balance sheet... Once, the liability becomes real then it will be recorded in books.

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Question # 37

Define an aging report in Accounting?

Answer:-

Aging Report is called Vendor wise & Customer Wise Outstanding - Report

Example : 30 days , 30 to 60 days and crossed 180 days... - Balance Report

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Question # 38

What is MIS report in accounting and how to prepare it?

Answer:-

MIS report means Management Information System. MIS is prepared to know the day to day transactions of a company. Simply to know the position of the company (profitability or loss).

Income(sales-export,domestic,job work)- Expenditure(manufacturing, administration,S & D,Financial expenses).

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Question # 39

how to do finalization of accounts?

Answer:-

Finalization of accounts is preparing financial reports in comparison with briefing of companys financial reports. Which include Income ,Cash flows, Balance Sheet, Policies, disclosures, and Equity.

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Question # 40

Define MIS reports?

Answer:-

A management information system (MIS) is a subset of the overall internal controls of a business covering the application of people, documents, technologies, and procedures by management accountants to solve business problems such as costing a product, service or a business-wide strategy.

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Question # 41

How many methods are used to calculate depreciation?

Answer:-

3 popular types:

- * Straightline
- * Declining balance
- * Sum-of-Years' Digits Method

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Question # 42

Who is responsible for maintaining Accounts receivable in an organization?

Answer:-

This is based on Company, In MNC's different works are done by different people but in small companies all accounting is done by accountant which includes Receivables, Payables, Banks,cash etc.

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Question # 43

Can you please explain the difference between cash basis and accrual basis Balance Sheet?

Answer:-

Under cash system of accounting, transactions are recorded in books on the basis of their actual payment or receipt made.

Under the accrual basis of accounting, the transaction are record on their occurrence in the business regardless of actual payment or receipt is made, and recognizes the assets and liabilities accordingly. provisions are made for all known losses and obligations are recorded for the period to which it relates to in the books.

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Question # 44

Define Budgeting?

Answer:-

It is forecasting of expenses/income of company which can made by our past records or by some assumption.

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Question # 45

Which procedures are in place to ensure that a sponsored project is carried out in compliance with the terms, conditions and financial management and reporting requirements of both the municipality and provincial treasury?

Answer:-

Suppose the Bank has granted the loan for specific project for example to invest in the additional capacity production of the company by investing in new equipment.Now the Compliance towards the corporation is to follow the procedure and make the budget plan,Financial Reporting,Accounting and Management Plan,Operational plan accordingly.Prior to Investment it has to take due consideration from the Municipality for Space Requirement for additional equipment,Lease Rent,Development fees,Permission fees and other charges.In case of Provincial Treasury budget for Increase in Treasury due to new Project according to compliance.

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Question # 46

Define GPSD in accounting?

**Answer:-**

GPSD is a service daemon that monitors one or more GPSes or AIS receivers attached to a host computer through serial or USB ports, making all data on the location/course/velocity of the sensors available to be queried on TCP port 2947 of the host computer. With gpsd, multiple location-aware client applications (such as navigational and wardriving software) can share access to receivers without contention or loss of data. Also, gpsd responds to queries with a format that is substantially easier to parse than the NMEA 0183 emitted by most GPSes. The GPSD distribution includes a linkable C service library, a C++ wrapper class, and a Python module that developers of gpsd-aware applications can use to encapsulate all communication with GPSD.

Besides GPSD itself, the project provides auxiliary tools for diagnostic monitoring and profiling of receivers and feeding location-aware applications GPS/AIS logs for diagnostic purposes.

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Question # 47

Described Variance Analysis with Example?

Answer:-

Variance analysis in budgeting or management accounting in general is a tool of budgetary control by evaluation of performance by means of variance between budgeted amount, planned amount or standard amt and the actual amt incurred/sold.

Variance can be carried out for both revenue & cost. Variance analysis helps the management to know the present cost & then control the future cost.

Examples includes sale price variance, sales quantity variance, sales mix variance.

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Question # 48

Does various elements of business affect fund/cash flow?

Answer:-

There are various elements of business that affect fund/cash flow. These include such things as increased sales, reductions or increases in debtors, longer or shorter times in paying creditors, repayments of loans, etc., a summary of which should be shown on separate lines of the statement. It can start with a section listing the elements that contribute to an increase in cash, then the next section lists those items which have contributed to a decrease in cash.

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Question # 49

What is funds flow statement?

Answer:-

A fund flow statement or a cash flow statement records the changes in monetary funds over a period of time, usually by comparing the latest position at balance sheet date with the corresponding monetary position a year ago.

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Question # 50

How to place journal entry for purchase order in books of account?

Answer:-

Generally there is no journal entry at the time when one receives a purchase order as this receipt of purchase order cannot be recognized as revenue at this point of time.

But under following circumstance there would be an entry:

when any advance is received:

Cash/ Bank Dr

Party account

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Question # 51

Tell me how to book a letter of credit in your books?

Answer:-

The Money Behind a Letter of Credit.

A bank promises to pay on behalf of a customer, but where does the money come from? The bank will only issue a letter of credit if they know the buyer will pay. Some buyers have to deposit (or already have) enough money to cover the letter of credit, and some customers use a line of credit with the bank. Sellers must trust that the bank issuing the letter of credit is legitimate.

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Question # 52

What are purposes of maintaining control ledgers?

Answer:-

Purposes of maintaining control ledgers are:

* Sundry Debtors

* Sundry Creditors

* Advances to Staff

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Question # 53

Taxation of construction cost?

Answer:-



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