

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. Cash book
2	Goods returned to supplier should be credited to:	A. Supplier A/c B. Purchase return A/c C. Sales return A/c D. Purchases A/c
3	Operating expenses represent	A. G.P- Operative Exp B. Selling + General Exp C. Selling administrative Exp.D) D. All of these
4	Which of the following account is increased by debit entries	A. Capital A/c B. Building A/c C. Sales A/c D. Purchase return A/c
5	The entry which is recorded on the both sides of three column cash book is called	A. Single entry B. Compound entry C. Double entry D. Contra entry
6	The person to whom goods are sold on credit is called	A. Seller B. Creditor C. Debtor D. Buyer
7	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies
8	The purchase of machinery on account would:	A. Increase one asset and decrease another asset B. Increase an asset and decrease liability C. Increase an asset and increase capital D. Increase an asset and increase a liability
9	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
10	The cheque which is returned by the bank unpaid is called	A. Cross cheque B. Dishonour cheque C. Bearer cheque D. Order cheque
11	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
12	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
13	Discount received is a	A. Asset B. Revenue C. Liability D. Expenses
14	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first

15	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
16	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense
17	Business debts are also called is	A. Capital B. Liabilities C. Drawing D. Assets
18	Important types of ledger are	A. General ledger B. Proprietor ledger C. Creditors ledger D. General ledger & creditor ledger bot
19	Goods returned by a customer should be debited to	A. Sales A/c B. Customer A/c C. Purchase A/c D. Sales return A/c
20	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
21	The book in which small payments like refreshment tissues etc are recorded is called	A. Main cash book B. Cash account C. Petty cash book D. Both main cash book & petty cash book
22	Accounting principle are generally based on	A. Theory B. Subjectively C. Practicability D. None of these
23	The expenses incurred in purchasing land property represent	A. Capital expenditures B. Revenue loss C. Revenue expenditures D. Deferred revenue expenditures
24	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable
25	A bill of exchange is accepted by	A. Debtor B. Holder C. Creditor D. Seller
26	Any physical that has money value is	A. Transaction B. Asset C. Intangible asset D. Goodwill
27	Which of these is a fixed asset:	A. Cash B. Plant C. Stock D. Prepaid expenses
28	Nominal accounts are related to:	A. Assets B. Creditors C. Liabilities D. Expenses + Income
29	Payment for freight on raw material purchased is called	A. Capital payment B. Deferred revenue payment C. Revenue payment D. None of these
30	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Raw form
31	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities D. Capital + Liabilities

A. Pass book
R. Journal

32	Petty cash book is a branch of	B. Journal C. Cash book D. Ledger
33	Which of these assets is an intangible asset	A. Building B. Cash C. Furniture D. Good will
34	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
35	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
36	For payment of bill of exchange grace days are	A. 2 days B. 3 days C. 5 days D. 4 days
37	Which of the following books is called book of original entry:	A. Cash book B. Journal C. Ledger D. Sales book
38	The science and art of correctly recording business dealing in a set of books is called	A. Book keeping B. Auditing C. Accounting D. Recording
39	Expenses paid in advance are called	A. Prepaid expenses B. Deferred expenses C. Expired expenses D. Both prepaid & expired expenses
40	A bill of exchange is accepted by:	A. Drawer B. Payee C. Drawee D. Bank
41	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
42	Cash sales are recorded in	A. Sales book B. Purchase book C. Cash book D. Pass book
43	Carriage paid on goods purchased is a	A. Direct expense B. Opening expense C. Indirect expense D. General expense
44	Cheque received but not deposited recorded in cash book is	A. Cash column B. Discount column C. Bank column D. None of these
45	Bank reconciliation represents	A. Ledger B. Statement C. Journal D. Both ledger and statement
46	If more than two accounts are involved in one transaction the journal entry is called	A. Simple entry B. Skeleton entry C. Compound entry D. Double entry
47	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
48	Pass book is prepared in the book of	A. Bank B. Guarantor C. Customer D. None of these
49	Which of these accounts is increased by credit entries:	A. Machinery A/c B. Rent A/c C. Sales A/c D. None of these

		D. Purchase A/c
50	Trial balance is prepared to detect	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principles
51	Trail balance shows	A. Complete accuracy B. Arithmetical accuracy C. Whole accuracy D. Full accuracy
52	Debit balance of cash book is also called	A. Unfavourable balance B. Favourable balance C. Negative balance D. Both un favourable and favourable balance
53	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
54	If more than two accounts are involved in a journal entry it is called	A. Double entry B. Contra entry C. Compound entry D. Single entry
55	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
56	Preliminary Exp.Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. Deferred Revenue Exp
57	To any business bad debts is	A. An asset B. An Income C. A loss D. A liability
58	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
59	The errors which cancel themselves out are called	A. Errors of omission B. Compensating errors C. Errors of commission D. None of these
60	Carriage paid on purchase of furniture is a	A. Revenue expenditure B. Capital expenditure C. Revenue Loss D. Capital loss
61	The amount of cash or goods with drawn by the proprietor for personal use is called:	A. Expenses B. Revenue C. Capital D. Drawings
62	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
63	Accounting is called of business:	A. Heart B. Ear C. Tongue D. Eye
64	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
65	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
66	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's

A. Fictitious assets

67	Assets which come into existence upon the happening of a certain event are called	B. Floating assets C. Contingent assets D. Dependent assets
68	Unearned income is shown as	A. Assets B. Expenses C. Liabilities D. Income
69	Favourable bank balances means	A. Credit balance of cash book B. Debit balance of cash book C. Debit balance of pass book D. None of these
70	The book meant for recording all cash transactions is called	A. Purchase book B. Cash book C. Sales book D. Pass book
71	Net loss is transferred in balance sheet to	A. Capital B. Losses C. Assets D. Deferred losses
72	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
73	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
74	The modern system of book keeping is based on:	A. Double account system B. Single entry system C. Single account system D. Double entry system
75	A bill of exchange is drawn by a	A. Debtor B. Holder C. Creditor D. None of these
76	Furniture and machinery represent	A. Fixed assets B. Fictitious assets C. Current assets D. Intangible assets
77	Transaction which is omitted from record is known as	A. Errors of omission B. Errors of principle C. Errors of commission D. Compensating errors
78	The amount of salaries paid to javed should be credited to	A. Javed A/c B. Cash A/c C. Salaries A/c D. None of these