

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Carriage paid on goods purchased is a	A. Direct expense B. Opening expense C. Indirect expense D. General expense
2	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
3	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities D. Capital + Liabilities
4	The cheque which is returned by the bank unpaid is called	A. Cross cheque B. Dishonour cheque C. Bearer cheque D. Order cheque
5	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's
6	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
7	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
8	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable
9	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first
10	To any business bad debts is	A. An asset B. An Income C. A loss D. A liability
11	Cheque received but not deposited recorded in cash book is	A. Cash column B. Discount column C. Bank column D. None of these
12	Assets which come into existence upon the happening of a certain event are called	A. Fictitious assets B. Floating assets C. Contingent assets D. Dependent assets
13	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
14	Which of these assets is an intangible asset	A. Building B. Cash C. Furniture D. Good will
15	The purchase of machinery on account would:	A. Increase one asset and decrease another asset B. Increase an asset and decrease liability C. ...

		C. Increase an asset and increase capital D. Increase an asset and increase a liability
16	For payment of bill of exchange grace days are	A. 2 days B. 3 days C. 5 days D. 4 days
17	Net loss is transferred in balance sheet to	A. Capital B. Losses C. Assets D. Deferred losses
18	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
19	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
20	The person to whom goods are sold on credit is called	A. Seller B. Creditor C. Debtor D. Buyer