

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
2	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
3	Petty cash book is a branch of	A. Pass book B. Journal C. Cash book D. Ledger
4	Trail balance shows	A. Complete accuracy B. Arithmetical accuracy C. Whole accuracy D. Full accuracy
5	Transaction which is omitted from record is known as	A. Errors of omission B. Errors of principle C. Errors of commission D. Compensating errors
6	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
7	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies
8	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
9	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
10	The book meant for recording all cash transactions is called	A. Purchase book B. Cash book C. Sales book D. Pass book
11	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
12	Preliminary Exp. Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. Deferred Revenue Exp
13	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
14	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank

15	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
16	Debit balance of cash book is also called	A. Unfavourable balance B. Favourable balance C. Negative balance D. Both un favourable and favourable balance
17	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
18	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
19	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
20	To any business bad debts is	A. An asset B. An Income C. A loss D. A liability