

## Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
2	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
3	Trail balance shows	A. Complete accuracy B. Arithmetical accuracy C. Whole accuracy D. Full accuracy
4	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
5	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
6	The cheque which is returned by the bank unpaid is called	A. Cross cheque B. Dishonour cheque C. Bearer cheque D. Order cheque
7	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
8	Petty cash book is a branch of	A. Pass book B. Journal C. Cash book D. Ledger
9	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
10	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense
11	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
12	Which of these accounts is increased by credit entries:	A. Machinery A/c B. Rent A/c C. Sales A/c D. Purchase A/c
13	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
14	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
15	Discount received is a	A. Asset B. Revenue C. Liability D. None of these

D. Expenses

16 Bank reconciliation represents

- A. Ledger
- B. Statement
- C. Journal
- D. Both ledger and statement

17 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

18 Payment for freight on raw material purchased is called

- A. Capital payment
- B. Deferred revenue payment
- C. Revenue payment
- D. None of these

19 To any business bad debts is

- A. An asset
- B. An Income
- C. A loss
- D. A liability

20 For payment of bill of exchange grace days are

- A. 2 days
- B. 3 days
- C. 5 days
- D. 4 days