

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
2	Any physical that has money value is	A. Transaction B. Asset C. Intangible asset D. Goodwill
3	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
4	Carriage paid on purchase of furniture is a	A. Revenue expenditure B. Capital expenditure C. Revenue Loss D. Capital loss
5	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
6	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
7	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
8	The amount of cash or goods with drawn by the proprietor for personal use is called:	A. Expenses B. Revenue C. Capital D. Drawings
9	Which of theses assets is an intangible asset	A. Building B. Cash C. Furniture D. Good will
10	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
11	The person to whom goods are sold on credit is called	A. Seller B. Creditor C. Debtor D. Buyer
12	Which of these is a fixed asset:	A. Cash B. Plant C. Stock D. Prepaid expenses
13	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
14	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
		A. Increase one asset and decrease another asset B. Increase an asset and decrease

15	The purchase of machinery on account would:	liability C. Increase an asset and increase capital D. Increase an asset and increase a liability
16	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense
17	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. Cash book
18	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
19	Trail balance shows	A. Complete accuracy B. Arithmetical accuracy C. Whole accuracy D. Full accuracy
20	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable