

Accounting Test Hard Mode

| Sr | Questions | Answers Choice |
|----|---|---|
| 1 | The expenses incurred in purchasing land property represent | A. Capital expenditures B. Revenue loss C. Revenue expenditures D. Deferred revenue expenditures |
| 2 | 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 |
| 3 | Bad debt arises from | A. Sale on account B. Account receivable C. Cash sales D. Account payable |
| 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 | 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 |
| 6 | Operating expenses represent | A. G.P- Operative Exp B. Selling + General Exp C. Selling administrative Exp.D) D. All of these |
| 7 | Trial balance is prepared to detect | A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principles |
| 8 | Bad debts are shown in the | A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first |
| 9 | The discount which is calculated on list price of goods is called | A. Trade discount B. Rebate C. Cash discount D. None of these |
| 10 | Net loss is transferred in balance sheet to | A. Capital B. Losses C. Assets D. Deferred losses |
| 11 | Credit sales are recorded in | A. Cash book B. Purchase book C. Sales book D. Pass book |
| 12 | Debit balance of cash book is also called | A. Unfavourable balance B. Favourable balance C. Negative balance D. Both un favourable and favourable balance |
| 13 | Any activity undertaken for the purpose of earning profit is called | A. Dealing B. Business C. Performance D. Duties |
| 14 | Cash purchases are recorded in large organizations in | A. Purchase day book B. General journal C. Purchase journal D. Cash book |
| 15 | For payment of bill of exchange grace days are | A. 2 days B. 3 days C. 5 days D. 10 days |

D. 4 days

16 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

17 Expenses paid in advance are called

- A. Prepaid expenses
- B. Deferred expenses
- C. Expired expenses
- D. Both prepaid & expired expenses

18 Preliminary Exp.Incurred for formation of Joint Stock Company represent.

- A. Capital loss
- B. Capital Exp.
- C. Revenue loss
- D. Deferred Revenue Exp

19 The person who draws a bill of exchange is known as

- A. Drawer
- B. Payee
- C. Drawee
- D. Bank

20 Bank reconciliation represents

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