

## Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	To any business bad debts is	A. An asset B. An Income C. A loss D. A liability
2	Cash sales are recorded in	A. Sales book B. Purchase book C. Cash book D. Pass book
3	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
4	The entry which is recorded on the both sides of three column cash book is called	A. Single entry B. Compound entry C. Double entry D. Contra entry
5	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies
6	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
7	Nominal accounts are related to:	A. Assets B. Creditors C. Liabilities D. Expenses + Income
8	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
9	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
10	A bill of exchange is accepted by:	A. Drawer B. Payee C. Drawee D. Bank
11	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
12	Trial balance is prepared to detect	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principles
13	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Raw form
14	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
15	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. Cash book

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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	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
18	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
19	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
20	Preliminary Exp.Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. Deferred Revenue Exp

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