

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
2	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
3	The amount of cash or goods with drawn by the proprietor for personal use is called:	A. Expenses B. Revenue C. Capital D. Drawings
4	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
5	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
6	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
7	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
8	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
9	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
10	Furniture and machinery represent	A. Fixed assets B. Fictitious assets C. Current assets D. Intangible assets
11	The book meant for recording all cash transactions is called	A. Purchase book B. Cash book C. Sales book D. Pass book
12	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
13	Pass book is prepared in the book of	A. Bank B. Guarantor C. Customer D. None of these
14	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
15	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales

D. Account payable

16 Accounting is the language of

- A. Govt
- B. Trade
- C. Business
- D. Commerce

17 Which of these is a fixed asset:

- A. Cash
- B. Plant
- C. Stock
- D. Prepaid expenses

18 In accounting equation assets are equal to

- A. Capital
- B. Liabilities
- C. Capital + Liabilities
- D. Capital + Liabilities

19 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

20 Trail balance shows

- A. Complete accuracy
- B. Arithmetical accuracy
- C. Whole accuracy
- D. Full accuracy