

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Accounting principle are generally based on	A. Theory B. Subjectively C. Practicability D. None of these
2	Favourable bank balances means	A. Credit balance of cash book B. Debit balance of cash book C. Debit balance of pass book D. None of these
3	Assets which come into existence upon the happening of a certain event are called	A. Fictitious assets B. Floating assets C. Contingent assets D. Dependent assets
4	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
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	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
7	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
8	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first
9	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
10	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
11	The errors which cancel themselves out are called	A. Errors of omission B. Compensating errors C. Errors of commission D. None of these
12	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's
13	The person to whom goods are sold on credit is called	A. Seller B. Creditor C. Debtor D. Buyer
14	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
15	A bill of exchange is drawn by a	A. Debtor B. Holder C. Creditor D. None of these

16	Which of these assets is an intangible asset	A. Building B. Cash C. Furniture D. Good will
17	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. Cash book
18	Goods returned to supplier should be credited to:	A. Supplier A/c B. Purchase return A/c C. Sales return A/c D. Purchases A/c
19	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
20	Trail balance shows	A. Complete accuracy B. Arithmetical accuracy C. Whole accuracy D. Full accuracy