

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	A bill of exchange is accepted by	A. Debtor B. Holder C. Creditor D. Seller
2	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
3	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
4	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
5	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
6	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
7	Carriage paid on purchase of furniture is a	A. Revenue expenditure B. Capital expenditure C. Revenue Loss D. Capital loss
8	The purchase of machinery on account would:	A. Increase one asset and decrease another asset B. Increase an asset and decrease liability C. Increase an asset and increase capital D. Increase an asset and increase a liability
9	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
10	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Raw form
11	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
12	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
13	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
14	Accounting principle are generally based on	A. Theory B. Subjectively C. Practicability D. None of these

15	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities D. Capital + Liabilities
16	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
17	Petty cash book is a branch of	A. Pass book B. Journal C. Cash book D. Ledger
18	The science and art of correctly recording business dealing in a set of books is called	A. Book keeping B. Auditing C. Accounting D. Recording
19	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's
20	Furniture and machinery represent	A. Fixed assets B. Fictitious assets C. Current assets D. Intangible assets