

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
2	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
3	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
4	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
5	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
6	The amount of cash or goods with drawn by the proprietor for personal use is called:	A. Expenses B. Revenue C. Capital D. Drawings
7	Accounting is called of business:	A. Heart B. Ear C. Tongue D. Eye
8	Trial balance is prepared to detect	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principles
9	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
10	Preliminary Exp.Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. Deferred Revenue Exp
11	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
12	The book in which small payments like refreshment tissues etc are recorded is called	A. Main cash book B. Cash account C. Petty cash book D. Both main cash book & petty cash book
13	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. Cash book
14	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense

15	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
16	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
17	Any physical that has money value is	A. Transaction B. Asset C. Intangible asset D. Goodwill
18	Discount received is a	A. Asset B. Revenue C. Liability D. Expenses
19	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
20	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's