

Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
2	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable
3	The amount of salaries paid to javed should be credited to	A. Javed A/c B. Cash A/c C. Salaries A/c D. None of these
4	Operating expenses represent	A. G.P- Operative Exp B. Selling + General Exp C. Selling administrative Exp.D) D. All of these
5	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
6	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
7	A bill of exchange is accepted by:	A. Drawer B. Payee C. Drawee D. Bank
8	Petty cash book is a branch of	A. Pass book B. Journal C. Cash book D. Ledger
9	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
10	Carriage paid on purchase of furniture is a	A. Revenue expenditure B. Capital expenditure C. Revenue Loss D. Capital loss
11	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
12	Transaction which is omitted from record is known as	A. Errors of omission B. Errors of principle C. Errors of commission D. Compensating errors
13	Accounting is called of business:	A. Heart B. Ear C. Tongue D. Eye
14	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. Journalising D. Entry
15	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account

16	Preliminary Exp.Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. Deferred Revenue Exp
17	Unearned income is shown as	A. Assets B. Expenses C. Liabilities D. Income
18	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
19	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. Nominal A/c D. None of these
20	Accounting principle are generally based on	A. Theory B. Subjectively C. Practicability D. None of these