Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
2	Payment for freight on raw material purchased is called	A. Capital payment B. Deferred revenue payment C. Revenue payment D. None of these
3	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
4	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense
5	Accounting is called of business:	A. Heart B. Ear C. Tongue D. Eye
6	A bill of exchange is accepted by	A. Debtor B. Holder C. Creditor D. Seller
7	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
8	Transaction which is omitted from record is known as	A. Errors of omission B. Errors of principle C. Errors of commission D. Compensating errors
9	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
10	Cash sales are recorded in	A. Sales book B. Purchase book C. Cash book D. Pass book
11	Expenses paid in advance are called	A. Prepaid expenses B. Deferred expenses C. Expired expenses D. Both prepaid & expired expenses
12	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
13	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
14	For payment of bill of exchange grace days are	A. 2 days B. 3 days C. 5 days D. 4 days
15	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities

		D. Capital + Liabilities
16	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
17	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
18	Modern system of book keeping is	A. Single entry system B. Double entry system C. Modern system D. None of these
19	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable
20	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