

## Accounting Test Hard Mode

Sr	Questions	Answers Choice
1	Accounting is called of business:	A. Heart B. Ear C. Tongue D. Eye
2	A bill of exchange is accepted by:	A. Drawer B. Payee C. Drawee D. Bank
3	Nominal accounts are related to:	A. Assets B. Creditors C. Liabilities D. Expenses + Income
4	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
5	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
6	Cash sales are recorded in	A. Sales book B. Purchase book C. Cash book D. Pass book
7	Which of these accounts is increased by credit entries:	A. Machinery A/c B. Rent A/c C. Sales A/c D. Purchase A/c
8	Which of these is a fixed asset:	A. Cash B. Plant C. Stock D. Prepaid expenses
9	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
10	Which of the following books is called book of original entry:	A. Cash book B. Journal C. Ledger D. Sales book
11	Bank reconciliation is prepared by	A. Bank B. Creditors C. Auditor D. Accountant
12	In accounting equation assets are equal to	A. Capital B. Liabilities C. Capital + Liabilities D. Capital + Liabilities
13	Bad debts are shown in the	A. Trading A/c B. None of these C. Profit & Loss A/c D. Both first
14	Freight paid on machinery purchased is a	A. Revenue expenditure B. Capital expenditure C. Capital loss D. Revenue loss
15	Carriage paid on goods purchased is a	A. Direct expense B. Opening expense C. Indirect expense D. General expense

16	Unearned income is shown as	A. Assets B. Expenses C. Liabilities D. Income
17	Balance sheet is a statement of	A. Assets B. Both first C. Liabilities D. None of these
18	Noting charges are paid when bill is	A. Honoured B. Discounted C. Dishonoured D. None of these
19	The errors which cancel themselves out are called	A. Errors of omission B. Compensating errors C. Errors of commission D. None of these
20	The amount of cash or goods with drawn by the proprietor for personal use is called:	A. Expenses B. Revenue C. Capital D. Drawings
21	The discount which is calculated on list price of goods is called	A. Trade discount B. Rebate C. Cash discount D. None of these
22	The book meant for recording all cash transactions is called	A. Purchase book B. Cash book C. Sales book D. Pass book
23	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
24	Trial balance is prepared to detect	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principles
25	The cheque which is returned by the bank unpaid is called	A. Cross cheque B. Dishonour cheque C. Bearer cheque D. Order cheque
26	Cash and goods invested by the proprietor in business is called	A. Investment B. Capital C. Drawings D. None of these
27	For payment of bill of exchange grace days are	A. 2 days B. 3 days C. 5 days D. 4 days
28	Which of theses assets is an intangible asset	A. Building B. Cash C. Furniture D. Good will
29	Credit sales are recorded in	A. Cash book B. Purchase book C. Sales book D. Pass book
30	Carriage paid on purchase of furniture is a	A. Revenue expenditure B. Capital expenditure C. Revenue Loss D. Capital loss
31	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
32	The person who draws a bill of exchange is known as	A. Drawer B. Payee C. Drawee D. Bank
33	Goods returned by a customer should be debited to	A. Sales A/c B. Customer A/c C. Purchase A/c

		C. Sales return A/c D. Sales return A/c
34	To any business bad debts is	A. An asset B. An Income C. A loss D. A liability
35	Accounting is the language of	A. Govt B. Trade C. Business D. Commerce
36	The person to whom goods are sold on credit is called	A. Seller B. Creditor C. Debtor D. Buyer
37	Discount received is a	A. Asset B. Revenue C. Liability D. Expenses
38	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
39	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
40	Prepaid expenses are	A. Expense B. Liability C. Asset D. None of these
41	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
42	Business debts are also called is	A. Capital B. Liabilities C. Drawing D. Assets
43	Sales return is also called	A. Return inward B. Return to seller C. Return outward D. Return inward and return to seller both
44	Accounting principle are generally based on	A. Theory B. Subjectively C. Practicability D. None of these
45	Furniture and machinery represent	A. Fixed assets B. Fictitious assets C. Current assets D. Intangible assets
46	Bill receivable and debtor are	A. Long term assets B. Fictitious assets C. Fixed assets D. Current assets
47	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Raw form
48	Business debts are known as	A. Liabilities B. Expenses C. Assets D. Owner's
49	Compound entry affected at least	A. Two account B. One account C. Three account D. Four account
50	Important types of ledger are	A. General ledger B. Proprietor ledger C. Creditors ledger D. General ledger & creditor ledger bot

51	Trail balance shows	A. Complete accuracy B. <b>Arithmetical accuracy</b> C. Whole accuracy D. Full accuracy
52	Cash purchases are recorded in large organizations in	A. Purchase day book B. General journal C. Purchase journal D. <b>Cash book</b>
53	Petty cash book is a branch of	A. Pass book B. <b>Journal</b> C. Cash book D. Ledger
54	Bank reconciliation represents	A. Ledger B. <b>Statement</b> C. Journal D. Both ledger and statement
55	Operating expenses represent	A. G.P- Operative Exp B. <b>Selling + General Exp</b> C. Selling administrative Exp.D) D. All of these
56	Net loss is transferred in balance sheet to	A. <b>Capital</b> B. Losses C. Assets D. Deferred losses
57	Preliminary Exp.Incurred for formation of Joint Stock Company represent.	A. Capital loss B. Capital Exp. C. Revenue loss D. <b>Deferred Revenue Exp</b>
58	Errors which affect income statement belong to	A. Real A/c B. Personal A/c C. <b>Nominal A/c</b> D. None of these
59	A bill of exchange is drawn by a	A. Debtor B. Holder C. <b>Creditor</b> D. None of these
60	Modern system of book keeping is	A. Single entry system B. <b>Double entry system</b> C. Modern system D. None of these
61	The process of recording business transactions in the journal is called	A. Posting B. Classifying C. <b>Journalising</b> D. Entry
62	The book in which small payments like refreshment tissues etc are recorded is called	A. Main cash book B. Cash account C. <b>Petty cash book</b> D. Both main cash book & petty cash book
63	Debit balance of cash book is also called	A. Unfavourable balance B. <b>Favourable balance</b> C. Negative balance D. Both unfavourable and favourable balance
64	Assets which come into existence upon the happening of a certain event are called	A. Fictitious assets B. Floating assets C. <b>Contingent assets</b> D. Dependent assets
65	The expenses incurred in purchasing land property represent	A. <b>Capital expenditures</b> B. Revenue loss C. Revenue expenditures D. Deferred revenue expenditures
66	Payment for freight on raw material purchased is called	A. Capital payment B. Deferred revenue payment C. <b>Revenue payment</b> D. None of these
67	Transaction which is omitted from record is known as	A. <b>Errors of omission</b> B. Errors of principle C. Errors of commission D. Compensating errors

A. **Cash column**

68	Cheque received but not deposited recorded in cash book is	B. Discount column C. Bank column D. None of these
69	A bill of exchange is accepted by	A. Debtor B. Holder C. Creditor D. Seller
70	Carriage paid on goods sold is a	A. Direct expense B. Operating expense C. General expense D. Selling expense
71	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
72	Expenses paid in advance are called	A. Prepaid expenses B. Deferred expenses C. Expired expenses D. Both prepaid & expired expenses
73	Any activity undertaken for the purpose of earning profit is called	A. Dealing B. Business C. Performance D. Duties
74	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
75	Pass book is prepared in the book of	A. Bank B. Guarantor C. Customer D. None of these
76	Bad debt arises from	A. Sale on account B. Account receivable C. Cash sales D. Account payable
77	Any physical that has money value is	A. Transaction B. Asset C. Intangible asset D. Goodwill
78	Stationary is classified into	A. Factory supplies B. Sales supplies C. Office supplies D. Trade supplies

78

Only one ..... put up her hand.

- A. Girl
- B. Student
- C. Boy
- D. Woman

79

She would plonk down in front of our old .....

- A. Sony
- B. Admiral
- C. Panasonic
- D. Awia

80

I came home at ..... o'clock from strange shifts .

- A. 1b
- B. 3
- C. 2d
- D. 12

81

Just half an hour of the rubbish was the .....

- A. Time
- B. Idea
- C. Program
- D. Rule

82

Pangs means .....

- A. Pain

- B. Ideas
- C. Chores
- D. Feelings

83

Etiquettes means ..... .

- A. Routines
- B. Manners
- C. Learning
- D. Schedule

84

Parlour mans ..... .

- A. Shop
- B. Harbour
- C. Room
- D. Task