

Principles of accounting Icom Part 1 English Medium Chapter 1 Online Test

Sr	Questions	Answers Choice
1	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
2	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
3	The effect of drawing on accounting equation is	A. decrease in assets and decrease in liabilities B. increase in both assets & liabilities C. decrease in assets and increase in capital D. none of these
4	How many categories of accounts are	A. two B. three C. four D. five
5	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
6	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
7	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
8	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
9	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts D. valuation accounts
10	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
11	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
12	The system of recording transaction based on dual concept is called	A. Double account system B. Double entry system C. Single entry system D. Management system
13	The accounts of expenses, incomes, losses and gains	A. real accounts B. valuation accounts C. nominal accounts D. personal accounts
14	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
		A. asset account -

15	Carriage account is a/an	B. revenue account C. expenditure A/c D. withdrawal account
16	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
17	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
18	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
19	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only
20	Purchased goods on credit and for cash will affect	A. cash & goods B. cash & creditors C. cash creditors & owner's equity D. cash goods and creditors
21	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
22	The act result of the business activities is shown by:	A. Profit and loss account B. Profit & loss appropriation account C. Trading account D. Balance sheet
23	A copy of the customer's account in the bank's ledger is called:	A. Deposit statement B. Balance statement C. Bank statement D. Customer
24	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
25	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
26	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
27	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error
28	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
29	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
30	Cash paid to Naeem will affect	A. cash & capital B. cash & creditor C. cash and debtors D. cash & goods
31	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book

32	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
33	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
34	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
35	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above