

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

Sr	Questions	Answers Choice
1	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
2	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
3	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
4	How many categories of accounts are	A. two B. three C. four D. five
5	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
6	The accounts of expenses, incomes, losses and gains	A. real accounts B. valuation accounts C. nominal accounts D. personal accounts
7	The act result of the business activities is shown by:	A. Profit and loss account B. Profit and loss appropriation account C. Trading account D. Balance sheet
8	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
9	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
10	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
11	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
12	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
13	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
14	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
15	Goods returned by customers are	A. purchases B. purchases returns C. sales returns

D. sales

16 When cash is paid to creditors it will decrease

A. cash
B. capital
C. debtor
D. cash & creditors

17 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

18 The accounts of assets and properties

A. nominal accounts
B. real accounts
C. personal accounts
D. valuation accounts

19 An expenditure which is incurred again and again is a:

A. Capital expenditure
B. Future expenditure
C. Deferred expenditure
D. Revenue expenditure

20 Bookkeeping provides the

A. primary information
B. secondary information
C. final information
D. insufficient information
