

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

| Sr | Questions  | Answers Choice   |
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| 1  | The accounts of assets and properties  | A. nominal accounts<br>B. real accounts<br>C. personal accounts<br>D. valuation accounts   |
| 2  | When cash is paid to creditors it will decrease  | A. cash<br>B. capital<br>C. debtor<br>D. cash & creditors  |
| 3  | A dealing between two persons is called a  | A. business<br>B. transaction<br>C. purchases<br>D. sales  |
| 4  | The effect of drawing on accounting equation is  | A. decrease in assets and decrease in liabilities<br>B. increase in both assets & liabilities<br>C. decrease in assets and increase in capital<br>D. none of these |
| 5  | Goods returned by customers are  | A. purchases<br>B. purchases returns<br>C. sales returns<br>D. sales   |
| 6  | All cash purchases and cash sales are recorded in:   | A. Sales book<br>B. Purchases book<br>C. Both a & b<br>D. Cash book  |
| 7  | Double entry means   | A. entry in two sets of books<br>B. entry at two dates<br>C. entry for two aspects of a transaction<br>D. recording twice in journal                               |
| 8  | A bill of exchange contains:   | A. An unconditional order<br>B. A promise<br>C. A request<br>D. A conditional order  |
| 9  | The recording of transaction chronologically in the book of accounts is called:  | A. Summarizing<br>B. Classifying<br>C. Recording<br>D. None of above   |
| 10 | Expenses paid by a business decrease   | A. cash<br>B. capital<br>C. cash & capital<br>D. none of these   |
| 11 | Disagreement in balances may arise owing to mistake or mistakes in the:  | A. Cash book only<br>B. Bank statement<br>C. Cash book or bank statement<br>D. Bank column of the cash book only   |
| 12 | 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<br>B. Errors of omission<br>C. Errors of commission<br>D. Compensating error   |
| 13 | A basis of business languages  | A. accounting<br>B. bookkeeping<br>C. transaction<br>D. cost accounting  |
| 14 | Purchased goods on credit and for cash will affect   | A. cash & goods<br>B. cash & creditors<br>C. cash creditors & owner's equity<br>D. cash & owner's equity   |

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| 15 | Modern system of bookkeeping is  | A. single entry system<br>B. double entry system<br>C. modern system<br>D. none of these                  |
| 16 | For every debit, there is a credit   | A. going concern concept<br>B. dual aspect concept<br>C. matching concept<br>D. cost concept              |
| 17 | Carriage account is a/an   | A. asset account<br>B. revenue account<br>C. expenditure A/c<br>D. withdrawal account                     |
| 18 | According to accounting equation, capital is equal to                                    | A. assets + liabilities<br>B. expenses-incomes<br>C. liabilities - assets<br>D. assets - liabilities      |
| 19 | Accounting records of a business enterprise are required by                              | A. management of the business<br>B. outsiders<br>C. all of the above<br>D. none of the above              |
| 20 | Error due to wrong allocation as expenditure between capital and revenue is regarded as: | A. Error of omission<br>B. Error of principle<br>C. Compensating errors<br>D. Error of Commission         |
| 21 | Accounting principles can be classified in   | A. three types<br>B. two types<br>C. five types<br>D. six types   |
| 22 | Journal shows all necessary information regarding.                                       | A. The document<br>B. A transaction<br>C. The accounting<br>D. Meeting                                    |
| 23 | Events which are related with money are called:  | A. Monetary events<br>B. Non - monetary events<br>C. None-social events<br>D. Political events            |
| 24 | A copy of the customer's account in the bank's ledger is called:                         | A. Deposit statement<br>B. Balance statement<br>C. Bank statement<br>D. Customer                          |
| 25 | An expenditure incurred to the increases the profit earning of the concern is a:         | A. Revenue expenditure<br>B. Current expenditure<br>C. Capital receipt<br>D. Capital expenditure          |
| 26 | The accounts of expenses, incomes, losses and gains                                      | A. real accounts<br>B. valuation accounts<br>C. nominal accounts<br>D. personal accounts                  |
| 27 | Bookkeeping provides the   | A. primary information<br>B. secondary information<br>C. final information<br>D. insufficient information |
| 28 | The system of recording transaction based on dual concept is called                      | A. Double account system<br>B. Double entry system<br>C. Single entry system<br>D. Management system      |
| 29 | An expenditure which is incurred again and again is a:                                   | A. Capital expenditure<br>B. Future expenditure<br>C. Deferred expenditure<br>D. Revenue expenditure      |
| 30 | Cash paid to Naeem will affect   | A. cash & capital<br>B. cash & creditor<br>C. cash and debtors<br>D. cash & goods                         |
| 31 | Accounts relating to persons of firms are called:  | A. Real accounts<br>B. Proprietary accounts<br>C. Personal accounts<br>D. Nominal accounts                |

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| 32 | How many categories of accounts are                                      | B. three<br>C. four<br>D. five   |
| 33 | Ahmad's account is an example of   | A. real account<br>B. personal A/c<br>C. nominal account<br>D. none of these   |
| 34 | The act result of the business activities is shown by:                   | A. Profit and loss account<br>B. Profit &nbsp;and loss appropriation account<br>C. Trading account<br>D. Balance sheet |
| 35 | Which of the following discloses the financial position of the business: | A. Trading account<br>B. Profit and loss account<br>C. Profit and loss appropriation account<br>D. Balance sheet       |