

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

Sr	Questions	Answers Choice
1	The act result of the business activities is shown by:	A. Profit and loss account B. Profit &nbsp;and loss appropriation account C. Trading account D. Balance sheet
2	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
3	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
4	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
5	How many categories of accounts are	A. two B. three C. four D. five
6	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events&nbsp;
7	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
8	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
9	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
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	The accounts of expenses, incomes, losses and gains	A. real accounts B. valuation accounts C. nominal accounts D. personal accounts
12	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
13	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle&nbsp; C. Compensating errors D. Error of Commission
14	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
		A. Capital expenditure

15	An expenditure which is incurred again and again is a:	B. Future expenditure C. Deferred expenditure D. Revenue expenditure
16	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
17	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
18	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
19	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
20	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept