

Principles of accounting Icom Part 1 English Medium Chapter 14 Online Test

Sr	Questions	Answers Choice
1	Errors in casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
2	When two or more than two errors occurred on the opposite side of the account and cancelled the effect of each are called	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principle
3	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
4	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
5	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
6	Errors which affect one account can be	A. Errors of principle B. Errors of posting C. Errors of omission D. None of these
7	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	A. Error of principle B. Error of omission C. Error of casting D. Error of transposition
8	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
9	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
10	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
11	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
12	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
13	Errors, which do not affect on profit calculation, will have an effect only on	A. Trial balance B. Balance sheet C. Profit or loss account D. Trading account
14	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit

15	When balance of suspense account has debit balance it will be shown in balance sheet on	A. Liability side B. Capital side C. Asset side D. Credit side
16	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these
17	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
18	If goods purchased from Rahim for Rs. 499, credited to Rehman's account for Rs. 499. this is an	A. Error of commission B. Error of principle C. Compensating error D. Error of principle
19	.If the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
20	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
21	If a transaction has been completely omitted from the Journal it will be considered	A. Error of commission B. Error of principle C. Error of omission D. None of these
22	Error of principle arises when	A. Any transaction is incorrectly recorded, either wholly or partially B. Any transaction is left wholly or partially C. Any transaction is affects one account D. Any transaction is recorded in fundamentally incorrect manner
23	Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
24	Error of carry forward will affect	A. Personal accounts B. Nominal accounts C. Impersonal accounts D. None of these
25	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account