

## Principles of accounting Icom Part 1 English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	کسی شے کے مسلسل اور لگتار استعمال سے مختتم افادہ میں کمی آتی جاتی ہے بشرطیکہ دیگر امور پس توں بین اس قانون کو کہتے ہیں	<p><b>قانون تقلیل افادہ مختتم</b>            قانون مساوی افادہ مختتم            قانون طلب            قانون تقلیل حاصل</p>
2	Journal is prepared in	<p>A. Columnar form            B. Vertical form            C. Horizontal form            D. Row form</p>
3	Trading account is the account which is prepared to determine the:	<p>A. Only gross profit of the business            B. Only gross loss of the business            C. Gross profit or the gross loss of the business            D. None of the above</p>
4	The balance of the trading account is transferred to:	<p>A. Profit and loss account            B. Balance sheet            C. Work sheet            D. Position statement</p>
5	Transactions are recorded data wise, so journal is also called:	<p>A. Entry book            B. Transaction book            C. Chronological book            D. Voucher</p>
6	Record of business transaction in the journal is called	<p>A. Detail            B. Summary            C. Narration            D. Entry</p>
7	The book used to record all credit purchases is called:	<p>A. Purchases book            B. Purchase &amp; return book            C. Cash book            D. Creditor book</p>
8	The expenditures which reduce revenue (profit) of the business are:	<p>A. Revenue expenditures            B. Capital expenditure            C. Fixed expenditures            D. Future expenditures</p>
9	Written below each entry is the	<p>A. Transaction            B. Voucher no            C. Narration            D. Date</p>
10	A schedule of balances of all accounts is called	<p>A. Journal            B. Ledger            C. Balance Sheet            D. Trial Balance</p>
11	Left hand side of an account is called	<p>A. Debit Side            B. Credit Side            C. Both a &amp; b            D. None of these</p>
12	Ledger Records Transaction in a/an	<p>A. Chronological Order            B. Daily order            C. Arithmetical Order            D. Analytical Order</p>
13	Debit Signifies	<p>A. Increase in Asset Account            B. Decrease in Liability Account            C. Decrease in Capital Account            D. All of the Above</p>
14	The statement which contains the explanation of different in cash book and bank statement is known as:	<p>A. Bank statement            B. Cash statement            C. Balance statement            D. Bank reconciliation statement</p>
15	If the total of the credit side of an account exceeds that of debit side of the same account, it is called	<p>A. Credit Balance            B. Debit Balance            C. Balancing</p>

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16 Bill receivable account is a:

A. Nominal account  
B. Personal account  
C. Real account  
D. Expenses account

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17 In case of a debt becoming bad, the amount should be credited to

A. Debtor's a/c  
B. Bad Debts a/c  
C. Sales a/c  
D. cash a/c

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18 A trial balance can be constructed by

A. Three Methods  
B. Two Methods  
C. Four Methods  
D. Five Methods

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19 The process of recording business transaction in the journal is called

A. Posting  
B. Journalizing  
C. Classifying  
D. Entry

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20 A table lost by fire should be debited to

A. Table a/c  
B. Furniture a/c  
C. Loss by Fire a/c  
D. Purchases a/c

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