

Principles of accounting Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
2	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
3	Rent account' is a kind of:	A. Real account B. Personal account C. Nominal account D. <div>Capital account</div>
4	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
5	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & D. None of these
6	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
7	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
8	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
9	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
10	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
11	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income
12	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
13	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
14	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
15	Interest paid on loan is	A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses

16	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
17	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
18	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
19	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
20	Assets come into existence upon the happening of a certain event, are called:	A. Fixed assets B. Fictitious assets C. Floating assets D. Contingent assets