

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

Sr	Questions	Answers Choice
1	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
2	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
3	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
4	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
5	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
6	A bill from the point of view of a creditor is called a:	A. Bill payable B. Bill receivable C. Bil acceptable D. Bill rejectable
7	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
8	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
9	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
10	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
11	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
12	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
13	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
14	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
15	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss

D. Real Profit

16 The money with which business is started is known as:

- A. Capital
- B. Creditor
- C. Income
- D. Debtor

17 The balance of the 'Caha Column' in cash book is always:

- A. Debit balance
- B. Credit balance
- C. Both debit and credit balance
- D. None of the above

18 Net Profit is transferred to

- A. Trading Account
- B. Balance Sheet
- C. Capital a/c
- D. Trial Balance

19 Income received in advance during the year is

- A. Prepaid Expenses
- B. Accrued Income
- C. Advance Expenses
- D. Advance Income

20 Office rent is a

- A. Financial Expense
- B. Abnormal Loss
- C. Management Expense
- D. Maintenance Expense