

Principles of accounting Icom Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	A receipt is revenue in nature, if it relates to:	A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business
2	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
3	Which one of the following is appeared in the balance sheet?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
4	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & D. purchases & D. purchas
5	The profit which is earned during the ordinary course of business is regarded as:	A. Capital profit B. Revenue profit C. Revenue loss D. Long term profit
6	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
7	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
8	Capital contributed by the partners is a:	A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt
9	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. error of principle C. compensation error D. error of commission
10	A receipt is revenue receipt because	A. the amount is small B. it relates to routine activity of business C. it is received in the accounting year D. both b, c
11	If the error committed in the capital account, it will affect	A. trading account B. profit & amp; loss account C. trading and profit & amp; loss account D. balance sheet
12	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
13	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
14	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit

15	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
16	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit
17	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
18	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
19	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
20	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts