

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

Sr	Questions	Answers Choice
1	Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to:	A. Assets account B. Expenses account C. Cash account D. Purchases account
2	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
3	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
4	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
5	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
6	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 & Ali account D. purchases & sales account
7	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
8	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
9	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
10	Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500	A. suspense A/c B. sales A/c C. cash A/c D. none of above
11	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
12	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
13	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
14	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
15	The Profit and Loss account is a	A. Profit and loss account B. Trading account C. Balance sheet D. Statement of Financial Position

15	The capital profit should be transferred to:	C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
16	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
17	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
18	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. Profit and loss account D. None of these
19	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
20	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