

## Principles of accounting Icom Part 1 English Medium Chapter 9 Online Test

| Sr | Questions   | Answers Choice  |
|----|---|---|
| 1  | The valuation of closing stock is at  | A. Cost price<br>B. Market price<br>C. Cost or market price whichever is lower<br>D. Cost or market price whichever is higher   |
| 2  | Debts which are repayable in the course of less than one year but more than one month are called            | A. Quick liabilities<br>B. Deferred liabilities<br>C. Contingent liabilities<br>D. Liquid liabilities   |
| 3  | Cash of sales is equal to   | A. Sales - purchases<br>B. Purchases - return + closing stock<br>C. Opening stock + Purchases (Net) - Closing stock<br>D. Sales + Opening stock - (Purchases + Closing stock) |
| 4  | If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be     | A. 3250<br>B. 1250<br>C. 3750<br>D. 1750  |
| 5  | Which of the following discloses the financial position of the business                                     | A. Trading account<br>B. Profit or loss account<br>C. Profit or loss appropriation account<br>D. Balance sheet  |
| 6  | Position statement is similar to a  | A. Trial balance<br>B. Balance sheet<br>C. Financial statement<br>D. Bank reconciliation statement  |
| 7  | If sales are Rs. 12000 Gross profit is 10% of sales and net profit is 5% of sales then the expenses will be | A. 1200<br>B. 600<br>C. 1800<br>D. 2400   |
| 8  | It is prepared to determine the gross profit or gross loss  | A. Trading account<br>B. Profit or loss account<br>C. Balance sheet<br>D. None of these   |
| 9  | The price of goods sold or services rendered to the customers is called                                     | A. Sale<br>B. Profit<br>C. Expense<br>D. Revenue  |
| 10 | Expenses related to sale of goods are shown in  | A. Trading account<br>B. Profit or loss account<br>C. Balance sheet<br>D. Sales account   |
| 11 | Goodwill, patent, copyright and trade mark are  | A. Wasting assets<br>B. Intangible assets<br>C. Fictitious assets<br>D. Liquid assets   |
| 12 | Which account is a summary of direct expenses and direct revenues   | A. Trading and profit or loss account<br>B. Profit or loss account<br>C. Balance sheet<br>D. Trading account  |
| 13 | An operating statement is similar to a  | A. Balance sheet<br>B. bank reconciliation statement<br>C. Financial statement<br>D. Profit or loss statement   |
| 14 | Profit or loss appropriation account is not prepared in the case of   | A. Partnership<br>B. Joint stock company<br>C. Sole tradership<br>D. Partnership at will  |

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| 15 | Net profit plus expenses is equal to                   | A. purchases<br>B. Cost of goods sold<br>C. Capital<br>D. Gross profit  |
| 16 | Assets which have no market value are called           | A. Wasting assets<br>B. Fictitious assets<br>C. Intangible assets<br>D. Tangible assets   |
| 17 | Gross profit equals to                                 | A. Net profit minus expenses<br>B. Sales minus closing stock<br>C. Purchases minus closing stock<br>D. Sales minus cost of goods sold   |
| 18 | A balance sheet is a                                   | A. Statement of income and expenditure<br>B. Statement of debtors and creditors<br>C. Financial statement of a business on a particular date<br>D. Statement of profit earned by a business |
| 19 | Excise duty is a                                       | A. Direct revenue<br>B. Indirect revenue<br>C. Direct expense<br>D. Indirect expense  |
| 20 | It is prepared to determine the net profit or net loss | A. Trading account<br>B. Profit or loss account<br>C. Cash book<br>D. Balance sheet   |