

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A transaction is recorded on the same days as its takes place, so journal is also called:	A. A day book B. A history book C. An entry book D. Ledger book
2	The book which is used to record all goods returned to us by our customers is called	A. Returns outwards book B. Returns inwards book C. Sales book D. Cash book
3	All revenue expenditure are taken to	A. Trading a/c B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet
4	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
5	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
6	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
7	Debit Signifies	A. Increase in Asset Account B. Decrease in Liability Account C. Decrease in Capital Account D. All of the Above
8	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
9	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
10	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
11	Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
12	The document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called:	A. Receipt voucher B. Payment voucher C. Cash voucher D. Cash memo
13	Record of business transaction in the journal is called	A. Detail B. Summary C. Narration D. Entry
14	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
15	When two or more than two error occurred on the opposite side of the account and cancelled the affect of each are called	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principle

16	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
17	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
18	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only
19	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
20	The amount of assets, liabilities, capital and drawings are extended from adjusted trail balance to the	A. Balance sheet columns B. Income statement columns C. Cash columns D. Bank columns