

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

Sr	Questions	Answers Choice
1	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
2	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
3	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
4	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error
5	Cash paid to Naeem will affect	A. cash & capital B. cash & creditor C. cash and debtors D. cash & goods
6	Carriage account is a/an	A. asset account B. revenue account C. expenditure A/c D. withdrawal account
7	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
8	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
9	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
10	The effect of drawing on accounting equation is	A. decrease in assets and decrease in liabilities B. increase in both assets & liabilities C. decrease in assets and increase in capital D. none of these
11	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
12	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above
13	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
14	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these

15	The act result of the business activities is shown by:	A. Profit and loss account B. Profit and loss appropriation account C. Trading account D. Balance sheet
16	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
17	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
18	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
19	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
20	Purchased goods on credit and for cash will affect	A. cash and goods B. cash and creditors C. cash creditors and owner's equity D. cash goods and creditors