

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

Sr	Questions	Answers Choice
1	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
2	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
3	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
4	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
5	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
6	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
7	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
8	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
9	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
10	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
11	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
12	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
13	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
14	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
15	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A demand

		D. A conditional order
16	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
17	How many categories of accounts are	A. two B. three C. four D. five
18	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
19	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
20	Purchased goods on credit and for cash will affect	A. cash & goods B. cash & creditors C. cash creditors & owner's equity D. cash goods and creditors