

Principles of accounting Icom Part 1 English Medium Chapter 14 Online Test

Sr	Questions	Answers Choice
1	If any expense omitted to be recorded it will	<p>A. Overstate the profit</p> <p>B. Understate the profit</p> <p>C. Both a & b</p> <p>D. No effect on profit</p>
2	Error of principle arises when	<p>A. Any transaction is incorrectly recorded, either wholly or partially</p> <p>B. Any transaction is left wholly or partially</p> <p>C. Any transaction is affects one account</p> <p>D. Any transaction is recorded in fundamentally incorrect manner</p>
3	Errors of omission affects	<p>A. One account</p> <p>B. Two account</p> <p>C. Three account</p> <p>D. None of these</p>
4	When two or more than two error occurred on the opposite side of the account and cancelled the affect of each are called	<p>A. Errors of omission</p> <p>B. Compensating errors</p> <p>C. Errors of commission</p> <p>D. Errors of principle</p>
5	Any difference in trail balance, is transferred to	<p>A. Sales account</p> <p>B. Nominal account</p> <p>C. Purchases account</p> <p>D. Suspense account</p>
6	Wages paid for the erection of machine debited to wages account is an example of	<p>A. Error of omission</p> <p>B. Error of commission</p> <p>C. Error of principle</p> <p>D. None of these</p>
7	.If the error committed in the capital account, it will affect	<p>A. Trading account</p> <p>B. Profit and loss account</p> <p>C. Trading and profit and loss account</p> <p>D. Balance sheet</p>
8	If a liability is recorded as income, it will be considered as	<p>A. Error of commission</p> <p>B. Error of omission</p> <p>C. Error of Principle</p> <p>D. None of these</p>
9	If a transaction has been completely omitted from the Journal it will be considered	<p>A. Error of commission</p> <p>B. Error of principle</p> <p>C. Error of omission</p> <p>D. None of these</p>
10	If there is any error in Bank account it will affect	<p>A. Trading and profit and loss account</p> <p>B. Profit and loss account</p> <p>C. Trading account</p> <p>D. Balance sheet</p>
11	The credit purchases were wrongly recorded in sales book, the rectification of entry	<p>A. Increase the net profit by double amount</p> <p>B. Decrease the net profit by double amount</p> <p>C. Decrease the net profit</p> <p>D. Increase the net profit</p>
12	Errors is casting of subsidiary books are called as	<p>A. Error of omission</p> <p>B. Compensating error</p> <p>C. Error of posting</p> <p>D. Clerical errors</p>
13	Error which affects profit and loss account relates to	<p>A. Nominal account</p> <p>B. Property account</p> <p>C. Personal account</p> <p>D. None of these</p>
		<p>A. Debited to bad debts recovered account</p>

14	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	<ul style="list-style-type: none"> B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
15	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	<ul style="list-style-type: none"> A. Error of principle B. Error of omission C. Error of casting D. Error of transposition
16	Errors, which do not affect on profit calculation, will have an effect only on	<ul style="list-style-type: none"> A. Trail balance B. Balance sheet C. Profit or loss account D. Trading account
17	Errors of affect one account can be	<ul style="list-style-type: none"> A. Errors of principle B. Errors of posting C. Errors of omission D. None of these
18	If the balance of suspense account is credit then it will be shown in balance sheet on	<ul style="list-style-type: none"> A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
19	If any income omitted to be recorded it will	<ul style="list-style-type: none"> A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit
20	Transportation cost paid for the purchases of Machinery must be debited to	<ul style="list-style-type: none"> A. Transportation cost account B. Purchases account C. Machinery account D. Cash account