

Principles of accounting Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
2	Rent account' is a kind of:	A. Real account B. Personal account C. Nominal account D. Capital account
3	The account of depreciation of building of Rs. 30,000 at 5% p.a. will be	A. Rs. 20,00 B. Rs. 15,00 C. Rs. 25,00 D. Rs. 5,00
4	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
5	In adjusting the cash balance one of the following is not taken into account:	A. Mistakes in the cash book B. Mistake in the bank statement C. Interest and dividends credited in the bank statement D. None of the above
6	Assets come into existence upon the happening of a certain event, are called:	A. Fixed assets B. Fictitious assets C. Floating assets D. Contingent assets
7	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
8	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
9	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
10	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
11	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
12	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
13	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
14	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
15	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. ...

		D. none of these
16	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
17	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
18	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
19	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
20	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement