

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

Sr	Questions	Answers Choice
1	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement i s the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
2	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
3	The creditor of the business are called:	A. Assets B. Liabilities C. Capital  D. Income
4	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
5	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
6	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement     B. Financial statements     C. Production statement     D. Sale statement
7	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
8	Cash account is a:	A. Personal account     B. Real account     C. Nominal account     D. Both real and personal account
9	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 abvove
10	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
11	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
12	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
13	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
14	Interest paid on loan is	A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses
		A. Prepaid Expenses

15	Income received in advance during the year is	B. Accrued Income C. Advance Expenses D. Advance Income
16	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
17	Net profit is always	<ul><li>A. Equal to gross profit</li><li>B. more than gross profit</li><li>C. Less than gross profit</li><li>D. None of these</li></ul>
18	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
19	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
20	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense