

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

| Sr | Questions | Answers Choice |
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| 1 | 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 |
| 2 | Profit & Loss a/c is prepared to ascertain | A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit |
| 3 | The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is 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 |
| 4 | From business point of view, interest on capital is considered as | A. An income B. An Expense C. A Profit D. A Liability |
| 5 | The debts, the recovery of which is uncertain are called | A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c |
| 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 | Net profit is always | A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these |
| 8 | 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 |
| 9 | Interest on drawing is debited to | A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense |
| 10 | Income received in advance during the year is | A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income |
| 11 | Cash account is a: | A. Personal account B. Real account C. Nominal account D. Both real and personal account |
| 12 | Assets having some market value | A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these |
| 13 | Any mistake in ledger can be easily detected with the help of: | A. Journal B. Balance sheet C. Trial balance D. Financial statement |
| 14 | A bill from the point of view of a creditor is called a: | A. Bill payable B. Bill receivable C. Bill acceptable D. Bill rejectable |
| 15 | The const concept applied only to the assets and not to: | A. Expenses B. Liabilities C. Incomes D. None of these |

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| | | D. None of these |
| 16 | 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 |
| 17 | Financial accounting is mainly confined to preparation of: | A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement |
| 18 | Interest paid on loan is | A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses |
| 19 | Bad debts recovered should be credited to | A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these |
| 20 | Gross profit represents | A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales |