

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

Sr	Questions	Answers Choice
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. Capital

		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