Principles of accounting Icom Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	A receipt is revenue receipt because	A. the amount is small B. it relates to routine activity of business C. it is received in the accounting year D. both b, c
2	Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500	A. suspense A/c B. sales A/c C. cash A/c D. none of above
3	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
4	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
5	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
6	A receipt is revenue in nature, if it relates to:	A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business
7	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. Capital expenditure C. Current expenditure D. None of these
8	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
9	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
10	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
11	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
12	Some expenses are incurred at the time of the sate of an asset. The Amount will be debited to:	A. Assets account B. Expenses account C. Cash account D. Purchases account
13	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
14	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & Ali account D. purchases & sales account

15	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
16	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
17	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
18	Goods purchased from Robin have been posted to Rahim account, it is an:	A. Error of omission B. Error of casting C. Error of posting D. Error of commission
19	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
20	Suspense means	A. certainty B. uncertainty C. surly D. none of these