

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

Sr	Questions	Answers Choice
1	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
2	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
3	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
4	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
5	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
6	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
7	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
8	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
9	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
10	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
11	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
12	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet
13	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
14	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.

		D. none of above
15	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
16	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit
17	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
18	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
19	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
20	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c