

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

Sr	Questions	Answers Choice
1	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
2	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. error of principle C. compensation error D. error of commission
3	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
4	Suspense means	A. certainty B. uncertainty C. surly D. none of these
5	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
6	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
7	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. Profit and loss account D. None of these
8	Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to:	A. Assets account B. Expenses account C. Cash account D. Purchases account
9	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
10	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
11	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
12	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
13	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
14	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet
		A. revenue expenditure

15	Which one of the following is appeared in the balance sheet ?	B. capital expenditure C. deferred revenue D. both b,c
16	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
17	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
18	The profit which is earned during the ordinary course of business is regarded as:	A. Capital profit B. Revenue profit C. Revenue loss D. Long term profit
19	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
20	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit