

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

| Sr | Questions | Answers Choice |
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| 1 | A transaction has been journalized but posted wrongly in the ledger account, it is an: | <p>A. Error of posting B. Error of principle C. Error of omission D. Error of commission</p> |
| 2 | The capital profit should be transferred to: | <p>A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet</p> |
| 3 | If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be | <p>A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000</p> |
| 4 | Receipts, which are non-recurring by nature, are called | <p>A. revenue receipts B. current receipts C. capital receipts D. capital profit</p> |
| 5 | A credit sale was wrongly passed through purchases book, the rectification of the entry will: | <p>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</p> |
| 6 | The revenue profit should be transferred to: | <p>A. Balance sheet B. Trading account C. Profit and loss account D. None of these</p> |
| 7 | Suspense means | <p>A. certainty B. uncertainty C. surly D. none of these</p> |
| 8 | Any expenditure incurred to increase the earning capacity of a business | <p>A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure</p> |
| 9 | Capitalized expenditures are shown in | <p>A. trading A/c B. profit & loss A/c C. income statement D. balance sheet</p> |
| 10 | Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to: | <p>A. Assets account B. Expenses account C. Cash account D. Purchases account</p> |
| 11 | Any difference in trial balance is transferred to | <p>A. sales account B. nominal account C. purchases account D. suspense account</p> |
| 12 | Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500 | <p>A. suspense A/c B. sales A/c C. cash A/c D. none of above</p> |
| 13 | Errors which affect one account can be | <p>A. errors of principle B. errors of posting C. errors of omission D. none of these</p> |
| 14 | Error of posting effects: | <p>A. One account B. Two accounts C. Three accounts D. Four accounts</p> |
| | | <p>A. Increase the net profit</p> |

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