

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

| Sr | Questions | Answers Choice |
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| 1 | The revenue profit should be transferred to: | A. Balance sheet B. Trading account C. Profit and loss account D. None of these |
| 2 | Raw material destroyed in fire represents | A. capital loss B. revenue loss C. normal loss D. both b, c |
| 3 | Capital contributed by the partners is a: | A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt |
| 4 | 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 |
| 5 | 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 |
| 6 | 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 |
| 7 | Receipts which are non-recurring by nature: | A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit |
| 8 | Receipts, which are non-recurring by nature, are called | A. revenue receipts B. current receipts C. capital receipts D. capital profit |
| 9 | Suspense means | A. certainty B. uncertainty C. surly D. none of these |
| 10 | 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 |
| 11 | The process of totaling the data at the end of the period is called | A. posting B. casting C. compensating D. recording |
| 12 | Errors which affect one account can be | A. errors of principle B. errors of posting C. errors of omission D. none of these |
| 13 | The outflow of funds to meet the running expenses of a business | A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss |
| 14 | 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 |
| 15 | 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

16 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

17 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

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 Any difference in trial balance is transferred to

- A. sales account
- B. nominal account
- C. purchases account
- D. suspense account

20 Error of posting effects:

- A. One account
- B. Two accounts
- C. Three accounts
- D. Four accounts