

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

Sr	Questions	Answers Choice
1	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. <b>suspense account</b>
2	Error of posting effects:	A. <b>One account</b> B. Two accounts C. Three accounts D. Four accounts
3	Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500	A. suspense A/c B. <b>sales A/c</b> C. cash A/c D. none of above
4	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. <b>error of principle</b> C. compensation error D. error of commission
5	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. <b>Profit and loss account</b> D. None of these
6	Goods purchased from Robin have been posted to Rahim account, it is an:	A. Error of omission B. Error of casting C. <b>Error of posting</b> D. Error of commission
7	Some expenses are incurred at the time of the sale of an asset. The Amount will be debited to:	A. <b>Assets account</b> B. Expenses account C. Cash account D. Purchases account
8	A receipt is revenue receipt because	A. the amount is small B. <b>it relates to routine activity of business</b> C. it is received in the accounting year D. both b, c
9	The capital profit should be transferred to:	A. <b>Profit and loss account</b> B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
10	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. <b>Capital expenditure</b> C. Current expenditure D. None of these
11	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. <b>Error of positing</b> B. Error of principle C. Error of omission D. Error of commission
12	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. <b>Increase the net profit by, double amount</b> B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
13	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. <b>complete error</b>
14	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. <b>deferred revenue expenditure</b> D. capital loss

15	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
16	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
17	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
18	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
19	Suspense means	A. certainty B. uncertainty C. surly D. none of these
20	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c