

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

Sr	Questions	Answers Choice
1	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
2	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
3	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
4	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
5	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
6	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
7	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
8	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
9	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
10	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
11	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
12	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
13	Suspense means	A. certainty B. uncertainty C. surly D. none of these
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	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
16	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
17	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
18	Capital contributed by the partners is a:	A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt
19	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment 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