

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

Sr	Questions	Answers Choice
1	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
2	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
3	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
4	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
5	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
6	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
7	Capital contributed by the partners is a:	A. Revenue receipt B. Capital receipt C. Current receipt D. Deferred receipt
8	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
9	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. Profit and loss account D. None of these
10	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
11	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
12	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
13	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
14	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
		A. sales account

15	Any difference in trial balance is transferred to	B. nominal account C. purchases account D. suspense account
16	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
17	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
18	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
19	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
20	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these