

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

| Sr | Questions | Answers Choice |
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| 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 |

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| 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 |