

Principles of accounting Icom Part 1 English Medium Chapter 8 Online Test

Sr	Questions	Answers Choice
1	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
2	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dues Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these
3	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & credited D. None of these
4	When money is paid to a creditor or supplier a receipt is obtained from him which is called	A. Cash voucher B. Cash payment C. Receipt voucher D. Payment voucher
5	Unfavorable balances mean	A. Credit balance in the pass book B. Credit balance in the cash book C. Debit balance in bank statement D. Both b & c
6	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these
7	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
8	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account
9	Ahmed's cheque endorsed to Akbar should be debited to	A. Cash account B. Cheque account C. Akbar's account D. Ahmed account
10	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & Bros account
11	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
12	Credit purchases are recorded in	A. Purchases book B. Creditors book C. Cash book D. Purchases returns book
13	Received a cheque from Bilal Rs. 1900 in full settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & b
14	All cash purchases and cash sales are recorded in	A. Cash book B. Purchases book C. Sales book D. Purchases and sales book
15	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account

16	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
17	It is used to record cash, bank and discount transactions on debit and credit side	A. Single column cash book B. Petty cash book C. Double column cash book D. Treble column cash book
18	A statement which is used to reconcile the bank balance as per cash book with the balance as per pass book is called	A. Bank statement B. Income statement C. Bank reconciliation statement D. Financial statements
19	A double column cash book is used to record	A. Cash transactions only B. Cash and bank transaction C. Cash, bank and discount transaction D. None of these
20	The favorable balance of cash book bank column is	A. Credit balance B. Debit balance C. Both debit and credit balance D. None of these
