

Principles of accounting Icom Part 1 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
2	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
3	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement D. Profit or loss statement
4	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets
5	It is prepaid to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
6	Assets which have no physical existence are called	A. Tangible assets B. Fictitious assets C. Liquid assets D. Intangible assets
7	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a business
8	Which account is a summary of direct expenses and direct revenues	A. Trading and profit or loss account B. Profit or loss account C. Balance sheet D. Trading account
9	Cash of sales is equal to	A. Sales - purchases B. Purchases - return + closing stock C. Opening stock + Purchases (Net) - Closing stock D. Sales + Opening stock - (Purchases + Closing stock)
10	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
11	Profit or loss appropriation account is not prepared in the case of	A. Partnership B. Joint stock company C. Sole tradership D. Partnership at will
12	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
13	If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be	A. 3250 B. 1250 C. 3750 D. 1750
14	It is prepared to determine the net profit or net loss	A. Trading account B. Profit or loss account C. Cash book D. None of these

D. Balance sheet

15	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
16	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
17	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
18	Stock is trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
19	Goodwill, patent, copyright and trade mark are	A. Wasting assets B. Intangible assets C. Fictitious assets D. Liquid assets
20	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales