

## Principles of Accounting Icom Part 2 English Medium Chapter 2 Online Test

| Sr | Questions  | Answers Choice  |
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| 1  | Credit side of income and expenditure account records.   | A. Expenses and losses<br>B. <b>Income and gains</b><br>C. Assets<br>D. Liabilities   |
| 2  | Subscription outstanding in the beginning are shown in the   | A. Trading account<br>B. Income and expenditure account<br>C. <b>Balance sheet</b><br>D. Profit and loss account  |
| 3  | In income and expenditure account  | A. Expense are recorded on debit side<br>B. Revenues are recorded on credit side<br>C. Does not start with any opening balance<br>D. <b>All of the above</b>      |
| 4  | Capital fund of non trading concern is equal to.   | A. Assets + Income<br>B. Assets + Liabilities<br>C. Expenditure + Liabilities.<br>D. <b>Assets - Liabilities</b>  |
| 5  | Amount received by the concern as per the will of the donor is known as.   | A. <b>Legacy</b><br>B. Donation<br>C. Subscription<br>D. None of these  |
| 6  | The main sources of income of for on -trading concern is.  | A. <b>Subscriptions</b><br>B. Donations<br>C. Sales<br>D. Dividends on investment   |
| 7  | Income and expenditure account is usually accompanied by.  | A. Trail balance<br>B. <b>Balance sheet</b><br>C. Cash book<br>D. None of these   |
| 8  | Non- trading concern prepare.  | A. Profit and loss account<br>B. <b>Income and expenditure account</b><br>C. Manufacturing account<br>D. None of these  |
| 9  | Income and expenditure account is prepared on.   | A. Cash basis<br>B. <b>Accrual basis</b><br>C. Cash of accrual basis<br>D. None of these  |
| 10 | Amount received by the way of gift from any person or organization is called.  | A. <b>Donation</b><br>B. Subscription<br>C. Legacy<br>D. None of these  |
| 11 | The Receipt and payment account is the summary of the  | A. <b>Cash book</b><br>B. Balance sheet<br>C. Trail balance<br>D. Profit and loss account   |
| 12 | The basic club record or book of original entry in non-profit making organization  | A. Purchase book<br>B. Sales book<br>C. <b>Cash book</b><br>D. "a" and "b"  |
| 13 | In cash book   | A. Each entry is followed by narration<br>B. Ledger reference is recorded<br>C. Each transaction is recorded in chronological order<br>D. <b>All of the above</b> |
| 14 | Non-profit seeking organization income and expenditure account performs the same function as profit seeking organization's | A. <b>Trading and profit and loss account</b><br>B. Balance sheet<br>C. Bank account<br>D. Petty cash book  |

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| 15 | Income and expenditure account shows.   | A. Surplus or deficit<br>B. Not profit or net loss<br>C. Capital account<br>D. Cash in hand  |
| 16 | Excess of liabilities over assets is an indication of .                                     | A. Solvency<br>B. Insolvency<br>C. Surplus<br>D. Profit  |
| 17 | If the debit side of the receipt and payment account exceeds the credit side it represents. | A. Bank over draft<br>B. Cash at bank<br>C. Surplus balance<br>D. Deficit balance  |
| 18 | Receipt and payment account starts with the.  | A. Opening balance<br>B. Ending balance<br>C. Beginning or ending balance<br>D. None of these  |
| 19 | Lagacies are generally treated as.  | A. Income<br>B. Capitalized<br>C. Assets<br>D. Liability   |
| 20 | Receipts and payments account shows   | A. Debit and credit balances of ledgers<br>B. Incomes and expenditures<br>C. Cash receipts and payments<br>D. Assets and liabilities |