Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
2	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
3	Bank account is a:	A. Personal account B. Real account C. Nominal account D. None of these
4	A bill which is both drawn and payable within the geographical boundaries of a country	A. Foreign Bill B. Local Bill C. Municipal Bill D. Inland Bill
5	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
6	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
7	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
8	A statement which i prepared to ascertain the net income or net loss for a specific accounting period is called	A. Position statement B. Statement of condition C. Financial statement D. Bank reconciliation statement
9	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
10	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
11	The statement which contains the explanation of different in cash book and bank statement is known as:	A. Bank statement B. Cash statement C. Balance statement D. Bank reconciliation statement
12	Cash account is a:	A. Personal account B. Real account C. Nominal account D. Both real and personal account
13	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
14	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
15	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

16	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
17	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
18	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
19	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
20	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