

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
2	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
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	In the preparation of worksheet the amounts in the trail balance are taken directly form the _____	A. Ledger B. Trail balance C. Balance sheet D. None of these
5	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
6	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note
7	All expenses connected with the office and its conduct are called	A. Selling expenses B. Marketing expenses C. Service expenses D. Administrative expenses
8	Bank Reconciliation represents	A. A Journal B. A Ledger C. A Statement D. both a and c
9	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
10	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
11	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
12	Ledger Records Transaction in a/an	A. Chronological Order B. Daily order C. Arithmetical Order D. Analytical Order
13	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
14	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure
		A. Only gross profit of the business

15	Trading account is the account which is prepared to determine the:	B. Only gross loss of the business C. Gross profit or the gross loss of the business D. None of the above
16	The excess of credit column over debit column in income statement is called	A. Net loss B. Net profit C. Cash balance D. Gross profit
17	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
18	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
19	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
20	In journalizing the page numbers of the ledgers are written in:	A. The first column of journal B. The second column of journal C. The third column of journal D. The fourth column of journal