

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
2	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
3	If the error committed in the capital account, it will affect	A. trading account B. profit &
4	The concept of conservation will have the effect of:	A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above
5	How many columns are drawn on one side of three column cash book?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns
6	All the transactions recorded to credit sales are recorded in:	A. Sale return book B. Sales book C. Cash book D. Debtor's book
7	Expenses related to sale of goods are shown in	A. Trading account B. Profit or loss account C. Balance sheet D. Sales account
8	.If the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
9	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. Profit and loss account D. None of these
10	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
11	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
12	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
13	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
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

15	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
16	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense
17	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
18	Which column is prepared in single column cash book?	A. Bank Column B. Cash Column C. Discount Column D. All of the Above
19	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
20	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