

Principles of accounting Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
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| 1 | 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 |
| 2 | Receipts, which are non-recurring by nature, are called | A. revenue receipts B. current receipts C. capital receipts D. capital profit |
| 3 | According to accounting equation, capital is equal to | A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities |
| 4 | Personal account are related to: | A. Assets and liabilities B. Expenses, losses C. Customers, creditors etc. D. Incomes |
| 5 | It is used to record cash, bank and discount transactions on debit and credit side | A. Single column cash book B. Petty cash book C. Double column cash book D. Treble column cash book |
| 6 | Double entry means | A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal |
| 7 | Gross profit represents | A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales |
| 8 | How many parties are involved in case of Discounting of a bill ? | A. Two B. Three C. Four D. None of these |
| 9 | Income tax paid is a | A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense |
| 10 | Allowance for doubtful debts normally has a | A. Debit balance B. Credit balance C. Both debit & credit balance D. None of these |
| 11 | Any expenditure incurred to increase the earning capacity of a business | A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure |
| 12 | The Legal tenor of a bill is | A. Sixty Days B. One Month C. Eighty Days D. Ninety Days |
| 13 | 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 |
| 14 | The money with which business is started is known as: | A. Capital B. Creditor C. Income D. Debtor A. Assets |

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| 15 | Patent is an example of | B. Liabilities C. Income D. Expense |
| 16 | The expenses which are incurred for the generation of revenues from the sales of goods are called | A. Non-operating expenses B. Selling expenses C. Operation expenses D. Administrative expenses |
| 17 | A bill of exchange contains: | A. An unconditional order B. A promise C. A request D. A conditional order |
| 18 | Errors in casting of subsidiary books are called as | A. Error of omission B. Compensating error C. Error of posting D. Clerical errors |
| 19 | 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 |
| 20 | A trial balance can be constructed by | A. Three Methods B. Two Methods C. Four Methods D. Five Methods |