

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Net profit is equal to	A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses
2	A receipt is revenue in nature, if it relates to:	A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business
3	A double column cash book is used to record	A. Cash transactions only B. Cash and bank transaction C. Cash, bank and discount transaction D. None of these
4	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
5	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
6	Usually every _____ entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
7	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
8	The excess of gross profit on sale over total operating expenses is called:	A. Cost of goods sold B. Gross profit C. Net profit D. None-operating income
9	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
10	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
11	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
12	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction
13	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
14	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c D. None of these
15	The amount of assets, liabilities, capital and drawings are extended form adjusted trail balance to the	A. Balance sheet columns B. Income statement columns C. Cash columns D. None of these

		D. Bank columns
16	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
17	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
18	The process of recording business transaction in the journal is called	A. Posting B. Journalizing C. Classifying D. Entry
19	Financial statement is prepared from the amount given in	A. Trail balance columns B. Adjustments columns C. Cash columns D. Adjusted trail balance columns
20	Which column is prepared in single column cash book?	A. Bank Column B. Cash Column C. Discount Column D. All of the Above