

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
2	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
3	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
4	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
5	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
6	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
7	Bad debts recovered from debtors should be credited to	A. Debtors a/c B. Bad debts a/c C. Bad debts recovered a/c D. Cash a/c
8	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
9	The process of recording business transaction in the journal is called	A. Posting B. Journalizing C. Classifying D. Entry
10	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
11	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
12	All expenses connected with the office and its conduct are called	A. Selling expenses B. Marketing expenses C. Service expenses D. Administrative expenses
13	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
14	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
		A. Error of principle

15	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	B. Error of omission C. Error of casting D. Error of transposition
16	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
17	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
18	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
19	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
20	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure