

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
2	Goodwill, patent, copyright and trade mark are	A. Wasting assets B. Intangible assets C. Fictitious assets D. Liquid assets
3	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
4	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
5	Record of business transaction in the journal is called	A. Detail B. Summary C. Narration D. Entry
6	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
7	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
8	Unearned income are known as:	A. Incomes B. Expenses C. Liabilities D. Assets
9	.The cash book is a	A. Subsidiary journal B. Ledger account C. Subsidiary journal and ledger D. Trial balance
10	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
11	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
12	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
13	The accrued income or outstanding income will appear in the balance sheet as	A. An expense B. A liability C. An asset D. Both a & b
14	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
		A. Current asset

15	Stock in trade is a	B. Non-current asset C. Quick asset D. Intangible asset
16	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
17	The cash book is a	A. Subsidiary Journal B. Ledger Account C. Subsidiary Journal and Ledger D. Trial Balance
18	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
19	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
20	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit