

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
2	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense
3	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
4	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
5	One way of avoiding errors in the permanent accounting records is to use a form which is called	A. Bank statement B. Trail balance C. Balance sheet D. Work sheet
6	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales
7	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
8	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
9	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
10	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
11	The book use to record all credit purchases is called:	A. Purchases book B. Purchase & return book C. Cash book D. Creditor book
12	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
13	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
14	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
15	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

16	The process of totaling the data at the end of the period is called	A. Posting B. Casting C. Compensating D. Recording
17	Error of principle involves an incorrect allocation of expenditure or receipt between.	A. Capital and revenue B. Capital and capitalized C. Revenue and deferred revenue D. Revenue and revenue
18	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
19	When two or more than two error occurred on the opposite side of the account and cancelled the affect of each are called	A. Errors of omission B. Compensating errors C. Errors of commission D. Errors of principle
20	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these