

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
2	Received a cheque from Bilal Rs. 1900 in full settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & b
3	A book which is used to record small expenses is called	A. Expenses book B. Cash book C. Petty cash book D. Purchases book
4	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts D. valuation accounts
5	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
6	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
7	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
8	A statement which is prepared to ascertain the net income or net loss for a specific accounting period is called	A. Position statement B. Statement of condition C. Financial statement D. Bank reconciliation statement
9	A transaction is recorded on the same days as it takes place, so journal is also called:	A. A day book B. A history book C. An entry book D. Ledger book
10	An expenditure, which increases the utility or productive capacity of an asset is treated as	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. None of these
11	Which column is prepared in single column cash book?	A. Bank Column B. Cash Column C. Discount Column D. All of the Above
12	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
13	It is used to record only cash receipts and payments	A. Single column cash book B. Double column cash book C. Treble column cash book D. Sales book
14	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
15	In the preparation of the worksheet the amounts on the trial balance columns are taken directly from	A. Journal B. Ledger C. Trial balance D. Transaction

16	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
17	The balance of petty cash book is a/an	A. Asset B. Liability C. Expense D. Income
18	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these
19	If the total of the credit side of an account exceeds that of debit side of the same account, it is called	A. Credit Balance B. Debit Balance C. Balancing D. Zero Balance
20	Retiring a bill under rebate means:	A. Making payment for the bill before the due date B. Making payment for the bill after the due date C. Dishonouring bill D. None of the above
