

## Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
2	All the transactions recorded to credit sales are recorded in:	A. Sale return book B. Sales book C. Cash book D. Debtor's book
3	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
4	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
5	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
6	An expenditure, which is completely exhausted with in the current accounting period is known as	A. Deferred expenditure B. Revenue expenditure C. Future expenditure D. Non-recurring expenditure
7	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
8	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
9	A cash account always shows	A. Debit balance     B. Credit balance     C. Both debit and credit balance     D. Nil balance
10	From the business point of view, interest on drawings is	A. An asset B. An expense C. A liability D. A revenue
11	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
12	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
13	A statement which i 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
14	All revenue expenditure are taken to	A. Trading a/c  B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet
15	When boan statement shown a debit total balance it means:	A. Overdraft  as per cash book B. Unfavourable balance as per cash book C. Favourable balance as per cash

		book D. Overdraft as per bank statement
16	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
17	Unfavourable balance means	A. Credit Balance in the Pass Book B. Credit Balance in the Cash Book C. Debit Balance in Bank Statement D. Both b and c
18	Allowance for discount on account receivable is calculated on the amount of account receivable	A. Before deducting the allowance for doubtful debts     B. Left after deducting the allowance for doubtful debts     C. Before deducting the actual bad debts     D. None of these
19	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure     B. Capital expenditure     C. Current expenditure     D. None of these
20	The gross amount of goods sold or services performed during an accounting period is known as	A. Purchase B. Sale C. Gross profit D. Net profit