Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Cash account is concerned with:	A. Real account B. Personal account C. Nominal account D. Capital account
2	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit
3	Bank account is a:	A. Personal account B. Real account C. Nominal account D. None of these
4	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
5	Unfavorable balances mean	A. Credit balance in the pass book B. Credit balance in the cash book C. Debit balance in bank statement D. Both b & c
6	Which of the following normally has a credit balance	A. Machinery a/c B. Purchases a/c C. Stock a/c D. Sales a/c
7	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
8	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above
9	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
10	The system of recording transaction based on dual concept is called	A. Double account system B. Double entry system C. Single entry system D. Management system
11	A cash account always shows	A. Debit Balance B. Credit Balance C. Both a and b D. Nil Balance
12	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
13	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
14	The book in which all cash transaction are primarily recorded is called	A. Pass book B. Cheque book C. Finance book D. Cash book
15	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher

		D. Cash memo
16	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
17	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
18	Errors is casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
19	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
20	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account