

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account
2	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
3	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
4	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
5	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
6	The balance of petty cash book is a/an	A. Asset B. Liability C. Expense D. Income
7	Expenditure is revenue expenditure because	A. It is intended to benefit the current period B. The amount involved is small C. It is deducted from the gross sale proceeds D. None of these
8	Subsidiary books are called books of	A. Original entry B. Secondary entry C. Final entry D. Basic entry
9	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure
10	Contain all residual account	A. Debtors Ledger B. Creditors Ledger C. General Ledger D. Cash Ledger
11	The book in which all cash transaction are primarily recorded is called	A. Pass book B. Cheque book C. Finance book D. Cash book
12	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
13	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
14	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
15	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b

		D. None of these
16	Stock is trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
17	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
18	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
19	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
20	Which of the following discloses the financial position of the business	A. Trading account B. Profit or loss account C. Profit or loss appropriation account D. Balance sheet