

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Which account is a summary of direct expenses and direct revenues	A. Trading and profit or loss account B. Profit or loss account C. Balance sheet D. Trading account
2	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
3	Errors of affect one account can be	A. Errors of principle B. Errors of posting C. Errors of omission D. None of these
4	Error of principle arises when	A. Any transaction is incorrectly recorded, either wholly or partially B. Any transaction is left wholly or partially C. Any transaction is affects one account D. Any transaction is recorded in fundamentally incorrect manner
5	Income statement is prepared to ascertain the net result of the business concern under	A. British accounting system B. American accounting system C. Cash system of accounting D. None of these
6	Credit purchases are recorded in	A. Purchases book B. Creditors book C. Cash book D. Purchases returns book
7	When saleable goods are bought in a business are called:	A. Sales B. Purchase C. Assets D. Goods
8	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
9	The capital profit should be transferred to:	A. Profit and loss account B. Trading account C. Balance Sheet D. Both Trading and profit and loss account and balance sheet
10	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
11	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
12	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
13	A trial balance can be constructed by	A. Three Methods B. Two Methods C. Four Methods D. Five Methods
14	The inflow of assets in return for services performed or products delivered during a period is	A. Asset B. Revenue C. Non current asset D. None of these

15	If a liability is recorded as income, it will be considered as	A. Error of commission B. Error of omission C. Error of Principle D. None of these
16	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
17	Cash account is a	A. Personal account B. Nominal account C. Real account D. Both personal and real account
18	All the transactions related to credit sales are recorded in	A. Sales returns book B. Sales book C. Cash book D. Credit note book
19	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
20	.The cash book is a	A. Subsidiary journal B. Ledger account C. Subsidiary journal and ledger D. Trial balance