

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
2	The act result of the business activities is shown by:	A. Profit and loss account B. Profit and loss appropriation account C. Trading account D. Balance sheet
3	The profit which is earned during the ordinary course of business is regarded as:	A. Capital profit B. Revenue profit C. Revenue loss D. Long term profit
4	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
5	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
6	All the time of endorsement of a bill the drawer credits:	A. The drawee account B. The endorser's personal account C. Bill receivable account D. Endorser's account
7	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
8	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
9	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
10	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
11	Depreciation is	A. A Liability B. A loss C. An expense D. Both b & c
12	Journal means	A. Weekly B. Monthly C. Yearly D. Daily
13	Book-keeping is mainly concerned with:	A. Recording of business transactions B. Recording classifying and summarizing the recorded data C. Interpreting the recorded data D. None of the above
14	In case of a debt becoming bad, the amount should be credited to	A. Debtor's a/c B. Bad Debts a/c C. Sales a/c D. cash a/c

15	The concept of conservation will have the effect of:	B. Under statement of liabilities C. Overstatement of assets D. None of the above
16	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
17	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
18	A man buys Rs. 40,000 worth goods 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
19	Usually every _____ entry affects both the income statement and the balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
20	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account