

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
2	Cash account is a:	A. Personal account B. Real account C. Nominal account D. Both real and personal account
3	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure
4	Bank account is a:	A. Personal account B. Real account C. Nominal account D. None of these
5	The cash book is a	A. Subsidiary Journal B. Ledger Account C. Subsidiary Journal and Ledger D. Trial Balance
6	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
7	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
8	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events nbsp;
9	A man 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
10	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
11	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
12	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
13	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
14	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. None of these

		D. Both a & c
15	Carriage account is a/an	A. asset account B. revenue account C. expenditure A/c D. withdrawal account
16	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
17	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
18	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
19	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
20	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted