

Principles of accounting Icom Part 1 English Medium Online Test

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Sr	Questions	Answers Choice
1	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & D. having no effect on profit
2	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error
3	The excess of credit column over debit column in income statement is called	A. Net loss B. Net profit C. Cash balance D. Gross profit
4	When boan statement shown a debit total balance it means:	A. Overdraft as per cash book B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Overdraft as per bank statement
5	If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be	A. 3250 B. 1250 C. 3750 D. 1750
6	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
7	If sales are Rs. 12000 Gross profit is 10% of sales and net profit is 5% of sales then the expenses will be	A. 1200 B. 600 C. 1800 D. 2400
8	Worksheet provides complete information for preparing	A. Income statement B. Position statement C. Financial statement D. Bank reconciliation statement
9	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
10	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
11	An expenditure, which is completely exhausted with in the current accounting period is known as	A. Deferred expenditure B. Revenue expenditure C. Future expenditure D. Non-recurring expenditure
12	Errors of omission affects	A. One account B. Two account C. Three account D. None of these
13	Both cash purchases as well as credit purchases are recorded in	A. Cash book B. Purchase book C. Purchases account D. None of these
14	When balance of suspense account has debit balance it will be shown in balance sheet on	A. Liability side B. Capital side C. Asset side D. Credit side
15	In journalizing the page numbers of the ledgers are written in:	A. The first column of journal B. The second column of journal C. The third column of journal

		D. The fourth column of journal
16	A schedule of balances of all accounts is called	A. Journal B. Ledger C. Balance Sheet D. Trial Balance
17	Which book is used to record all credit purchases?	A. Purchases book B. Purchases book return C. Cash book D. Debit note book
18	The favorable balance of cash book bank column is	A. Credit balanceB. Debit balanceC. Both debit and credit balanceD. None of these
19	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
20	How many columns are drawn on one side of three column cash book?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns