

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A bill which is both drawn and payable within the geographical boundaries of a country	A. Foreign Bill B. Local Bill C. Municipal Bill D. Inland Bill
2	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
3	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
4	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
5	All cash purchases and cash sales are recorded in	A. Cash book B. Purchases book C. Sales book D. Purchases and sales book
6	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
7	Personal account are related to:	A. Assets and liabilities B. Expenses, losses C. Customers, creditors etc. D. Incomes
8	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
9	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
10	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
11	The favorable balance of cash book bank column is	A. Credit balance B. Debit balance C. Both debit and credit balance D. None of these
12	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
13	From the business point of view, interest on drawings is	A. An asset B. An expense C. A liability D. A revenue
14	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
15	A cash account always shows	A. Debit balance B. Credit balance C. Both debit and credit balance D. Nil balance

16	In accounting all business transactions are recorded which have:	A. Dual aspect B. Single aspect C. None of the above D. Economic aspect
17	Unfavorable balances mean	A. Credit balance in the pass book B. Credit balance in the cash book C. Debit balance in bank statement D. Both b & c
18	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trial balance D. Balance sheet
19	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
20	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction
