

## Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
3	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
4	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
5	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
6	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
7	From the business point of view, interest on drawings is	A. An asset B. An expense C. A liability D. A revenue
8	Ahmed's cheque endorse to Akbar should be debited to	A. Cash account B. Cheque account C. Akbar's account D. Ahmed account
9	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
10	Which one of the following is not considered the permanent part of the accounting record?	A. Journal B. Trail balance C. Ledger D. Work sheet
11	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
12	Which one of the following is a direct expense?	A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense
13	The process of recording business transaction in the journal is called	A. Posting B. Journalizing C. Classifying D. Entry
14	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
15	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts

		D. Nominal accounts
16	Rent account' is a kind of:	A. Real account B. Personal account C. Nominal account D. Capital account
17	Petty cash book is a branch of	A. Pass Book B. Cash Book C. Journal D. Ledger
18	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
19	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
20	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue