

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Allowance for doubtful debts normally has a	A. Debit balance B. Credit balance C. Both debit & credit balance D. None of these
2	A sheet which minimizes the chances of errors to the maximum possible extent is called	A. Balance sheet B. Work sheet C. Paper sheet D. Income statement
3	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
4	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
5	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
6	When money is paid to a creditor or supplier a receipt is obtained from him which is called	A. Cash voucher B. Cash payment C. Receipt voucher D. Payment voucher
7	When saleable goods are bought in a business are called:	A. Sales B. Purchase C. Assets D. Goods
8	Net sales - cost of goods sold - operating expenses = ?	A. Net purchases B. Cost of goods sold available for sale C. Net operating income D. Gross Profit
9	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & Bros account
10	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
11	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
12	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
13	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
14	The book which is used to record all goods returned by us to our supplier is called	A. Returns inwards book B. Purchases book C. Return outwards book D. Sales book
		A. The document

15	Journal shows all necessary information regarding.	<p>B. A transaction</p> <p>C. The accounting</p> <p>D. Meeting</p>
16	Provision for the doubtful debts is debited to	<p>A. Debtors a/c</p> <p>B. Provision for bad debts a/c</p> <p>C. Profit or loss a/c</p> <p>D. Bad debts recovered a/c</p>
17	The excess of gross profit on sale over total operating expenses is called:	<p>A. Cost of goods sold</p> <p>B. Gross profit</p> <p>C. Net profit</p> <p>D. None-operating income</p>
18	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	<p>A. overstated by Rs. 3,000</p> <p>B. understated by Rs. 6,000</p> <p>C. understated by Rs. 3,000</p> <p>D. overstated by Rs. 6,000</p>
19	A copy of the customer's account in the bank's ledger is called:	<p>A. Deposit statement</p> <p>B. Balance statement</p> <p>C. Bank statement</p> <p>D. Customer</p>
20	The transaction for which non separate book is maintained are recorded in:	<p>A. Journal proper</p> <p>B. Bills receivable book</p> <p>C. Bills payable book</p> <p>D. Cash book</p>