

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Petty cash book is a branch of	A. Pass Book B. Cash Book C. Journal D. Ledger
2	Assets come into existence upon the happening of a certain event, are called:	A. Fixed assets B. Fictitious assets C. Floating assets D. Contingent assets
3	The act result of the business activities is shown by:	A. Profit and loss account B. Profit and loss appropriation account C. Trading account D. Balance sheet
4	Cost incurred to generate revenue is called	A. Revenue B. Cost C. Expense D. Liability
5	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
6	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
7	The debts, the recovery or realization of which is uncertain are known as	A. Bad debts B. Doubtful debts C. Provision for doubtful debts D. Loan
8	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book
9	_____ is prepared to avoid errors in the permanent records of accounting	A. Work sheet B. Ledger C. Bank statement D. Balance sheet
10	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher D. Cash memo
11	Credit purchases are recorded in	A. Purchases book B. Creditors book C. Cash book D. Purchases returns book
12	Expenditure is revenue expenditure because	A. It is intended to benefit the current period B. The amount involved is small C. It is deducted from the gross sale proceeds D. None of these
13	Subsidiary books are called books of	A. Original entry B. Secondary entry C. Final entry D. Basic entry
14	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor

15	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
16	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
17	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
18	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
19	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
20	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets