

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure
2	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
3	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
4	How many categories of accounts are	A. two B. three C. four D. five
5	Bank Reconciliation represents	A. A Journal B. A Ledger C. A Statement D. both a and c
6	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
7	Adjusted _____ is used to prepare the income statement and balance sheet	A. Trail balance B. Ledger C. Balance sheet D. Bank statement
8	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
9	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
10	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
11	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
12	Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Row form
13	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
14	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
		A. Real account

15	Rent account' is a kind of:	B. Personal account C. Nominal account D. <div>Capital account</div>
16	Credit Balance of pass book must be equal to debit balance of	A. Cash Book B. Bank Ledger C. Clients other Account D. None of these
17	Both cash purchases as well as credit purchases are recorded in	A. Cash book B. Purchase book C. Purchases account D. None of these
18	Net sales are equal to sales minus	A. Returns inwards B. Returns outwards C. Cost of goods sold D. carriage on sales
19	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
20	A receipt is revenue receipt because	A. the amount is small B. it relates to routine activity of business C. it is received in the accounting year D. both b, c