

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
2	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure 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	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
5	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
6	The document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called:	A. Receipt voucher B. Payment voucher C. Cash voucher D. Cash memo
7	An entry which is recorded on the both sides of cash book is called	A. Simple entry B. Compound entry C. Combined entry D. Contra entry
8	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
9	The Principle book of accounts is	A. Journal B. Ledger C. Trial Balance D. Balance Sheet
10	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
11	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
12	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
13	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
14	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & b
15	The balance of petty cash book is a/an	A. Asset B. Liability C. Expense D. Income

16	A statement which i prepared to ascertain the net income or net loss for a specific accounting period is called	A. Position statement B. Statement of condition C. Financial statement D. Bank reconciliation statement
17	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
18	The account of depreciation of building of Rs. 30,000 at 5% p.a. will be	A. Rs. 20,00 B. Rs. 15,00 C. Rs. 25,00 D. Rs. 5,00
19	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
20	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit