

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
2	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
3	Error of principle arises when	A. Any transaction is incorrectly recorded, either wholly or partially B. Any transaction is left wholly or partially C. Any transaction is affects one account D. Any transaction is recorded in fundamentally incorrect manner
4	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction
5	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
6	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
7	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
8	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
9	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
10	It is prepaid to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
11	Which one of the following in used to simplify work, to be done at the end of period	A. Balance sheet B. Income sheet C. Bank statement D. Work sheet
12	Position statement is similar to a	A. Trial balance B. Balance sheet C. Financial statement D. Bank reconciliation statement
13	The accrued income or outstanding income will appear in the balance sheet as	A. An expense B. A liability C. An asset D. Both a & b
14	When saleable goods are bought in a business are called:	A. Sales B. Purchase C. Assets D. None of these

D. Goods

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- 15 The owner of the business is known as:
- A. Sale man
 - B. Agent
 - C. Proprietor
 - D. Employee
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- 16 Profit or loss appropriation account is not prepared in the case of
- A. Partnership
 - B. Joint stock company
 - C. Sole tradership
 - D. Partnership at will
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- 17 Octroi duty paid on machinery, is an example of
- A. Revenue expenditure
 - B. Recurring expenditure
 - C. Capital expenditure
 - D. Both a & b
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- 18 Expenses paid by a business decrease
- A. cash
 - B. capital
 - C. cash & capital
 - D. none of these
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- 19 Modern system of bookkeeping is
- A. single entry system
 - B. double entry system
 - C. modern system
 - D. none of these
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- 20 $\text{Net sales} - \text{cost of goods sold} - \text{operating expenses} = ?$
- A. Net purchases
 - B. Cost of goods sold available for sale
 - C. Net operating income
 - D. Gross Profit
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