

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Contra Refers to	A. Same Side B. Parallel Side C. Opposite Side D. None of these
2	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
3	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these
4	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
5	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
6	The book use to record all credit purchases is called:	A. Purchases book B. Purchase & return book C. Cash book D. Creditor book
7	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
8	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
9	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a business
10	A transaction is recorded on the same days as its takes place, so journal is also called:	A. A day book B. A history book C. An & entry book D. Ledger book
11	Allowance for doubtful debts normally has a	A. Debit balance B. Credit balance C. Both debit & credit balance D. None of these
12	Expenses related to sale of goods are shown in	A. Trading account B. Profit or loss account C. Balance sheet D. Sales account
13	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
14	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. None of these

		D. Both a & b
15	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
16	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
17	In case of a debt becoming bad, the amount should be credited to	A. Debtor's a/c B. Bad Debts a/c C. Sales a/c D. cash a/c
18	Usually every _____ entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
19	Bank Reconciliation represents	A. A Journal B. A Ledger C. A Statement D. both a and c
20	A Ledger is a book in which	A. Only Personal & Cash Accounts are Opened B. Only Real Accounts are Opened C. Only Nominal Accounts are Opened D. All Real, Nominal and Personal Accounts are Opened