

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	.The cash book is a	A. Subsidiary journal B. Ledger account C. Subsidiary journal and ledger D. Trial balance
2	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
3	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
4	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts D. valuation accounts
5	A transaction has been journalized but posted wrongly in the ledger account, it is an:	A. Error of positing B. Error of principle C. Error of omission D. Error of commission
6	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
7	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
8	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
9	Expired cost of fixed assets means	A. Appreciation B. Amortization C. Depreciation D. None of these
10	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
11	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
12	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
13	The expenses which are incurred for the generation of revenues from the sales of goods are called	A. Non-operating expenses B. Selling expenses C. Operation expenses D. Administrative expenses
14	A receipt is revenue in nature, if it relates to:	A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business

15	A document given by the seller to the buyer for credit sale of goods or assets is called	A. Cash memo B. Invoice C. Voucher D. None of these
16	The most exhaustive cash book is	A. Petty Cash Book B. Single Column Cash Book C. Double Column Cash Book D. Treble Column Cash Book
17	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
18	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets
19	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
20	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit