

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
2	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
3	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
4	The favourable balance of bank statement is	A. Credit Balance B. Debit Balance C. Zero Balance D. Both b and c
5	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
6	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
7	Record of business transaction in the journal is called	A. Detail B. Summary C. Narration D. Entry
8	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement is the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
9	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
10	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
11	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
12	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
13	Received a cheque from Bilal Rs. 1900 in full settlement of his debt Rs. 2000 should be debited to	A. Cash account B. Discount allowed account C. Bank account D. Both a & b
14	A schedule of balances of all accounts is called	A. Journal B. Ledger C. Balance Sheet D. Trial Balance

15	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
16	Which one of the following is a direct expense?	A. Custom duty B. Carriage C. Wages D. All of above
17	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
18	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
19	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
20	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these