

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
2	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income
3	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
4	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
5	The periodical total of purchases returns book is posted to	A. Debit of returns outwards account B. Credit of returns inwards account C. Debit of returns inwards accounts D. Credit of returns outwards account
6	The book which is used to record all goods returned by us to our supplier is called	A. Returns inwards book B. Purchases book C. Return outwards book D. Sales book
7	Stock is trade is a	A. Current asset B. Non-current asset C. Quick asset D. Intangible asset
8	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
9	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
10	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
11	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
12	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
13	Personal account are related to:	A. Assets and liabilities B. Expenses, losses C. Customers, creditors etc. D. Incomes
14	In the preparation of worksheet the amounts in the trail balance are taken directly form the	A. Ledger B. Trail balance C. Balance sheet D. None of these
15	Ahmed's cheque endorse to Akbar should be debited to	A. Cash account B. Cheque account C. Akbar's account

16 The book in which all cash transaction are primarily recorded is called

A. Pass book
B. Cheque book
C. Finance book
D. Cash book

17 The margin that is available to cover the other expenses for a period and to yield net income is known as

A. Net profit
B. Gross profit
C. Net sales
D. Cost of goods sold

18 A double column cash book is used to record

A. Cash transactions only
B. Cash and bank transaction
C. Cash, bank and discount transaction
D. None of these

19 The const concept applied only to the assets and not to:

A. Expenses
B. Liabilities
C. Incomes
D. None of these

20 Raw material destroyed in fire represents

A. capital loss
B. revenue loss
C. normal loss
D. both b, c
