Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
2	Goodwill, patent, copyright and trade mark are	A. Wasting assets B. Intangible assets C. Fictitious assets D. Liquid assets
3	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure
4	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
5	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
6	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
7	The person to whom a bill is addressed is the:	A. Debtor B. Creditor C. Holder D. Agent
8	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
9	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
10	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
11	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
12	Discount deducted from the catalogue or list price is called:	A. Trade discount B. Cash discount C. Catalogue discount D. Credit discount
13	Income statement is prepared to ascertain the net result of the business concern under	A. British accounting system B. American accounting system C. Cash system of accounting D. None of these
14	In adjusting the cash balance one of the following is not taken into account:	A. Mistakes in the cash book B. Mistake in the bank statement C. Interest and dividends credited in the bank statement D. None of the abvove
15	Expenses related to sale of goods are shown in	A. Trading account B. Profit or loss account C. Balance sheet

		D. Sales account
16	The document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called:	A. Receipt voucher B. Payment voucher C. Cash voucher D. Cash memo
17	Usually every _____ entry affect both income statement and balance sheet	A. Adjusting B. Work sheet C. Balance sheet D. Ledger
18	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
19	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
20	When cash is received from debtor or customer, generally a receipt is issued to the debtor which is called	A. Payment voucher B. Receipt voucher C. Cash voucher D. None of these