

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The Principle book of accounts is	A. Journal B. Ledger C. Trial Balance D. Balance Sheet
2	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
3	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
4	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards
5	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
6	A schedule of balances of all accounts is called	A. Journal B. Ledger C. Balance Sheet D. Trial Balance
7	_____ is prepared to avoid errors in the permanent records of accounting	A. Work sheet B. Ledger C. Bank statement D. Balance sheet
8	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
9	Trade expenses of Rs. 180 posted in the ledger as Rs. 810, it will be considered as	A. Error of principle B. Error of omission C. Error of casting D. Error of transposition
10	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
11	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
12	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
13	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
14	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
15	Errors of omission affects	A. One account B. Two account C. Three account D. None of these

16	The gross amount of goods sold or services performed during an accounting period is known as	A. Purchase B. Sale C. Gross profit D. Net profit
17	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
18	Bill receivable book represents	A. Ledger B. Journal C. Trail balance D. All of above
19	Debts which are repayable in the course of less than one year bur more than one month are called	A. Quick liabilities B. Deferred liabilities C. Contingent liabilities D. Liquid liabilities
20	The money can be deposited into bank by means of	A. Cash book B. Cheque book C. Pay-in-slip book D. Pass book