Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	In double entry system of bookkeeping every business transaction affects:	A. Debit or credit side of the same account B. Two accounts C. The same side of the same account D. None of the above
2	Suspense means	A. certainty B. uncertainty C. surly D. none of these
3	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet
4	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
5	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
6	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
7	A document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called	A. Receipt voucher B. Cash voucher C. payment voucher D. Cash memo
8	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
9	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
10	Which book is used to record all credit purchases?	A. Purchases book B. Purchases book return C. Cash book D. Debit note book
11	The accounts of expenses, incomes, losses and gains	A. real accounts B. valuation accounts C. nominal accounts D. personal accounts
12	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
13	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
14	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss

		D. revenue expenditure
15	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
16	The owner of the business is known as:	A. Sale man B. Agent C. Proprietor D. Employee
17	All the bills given to the creditors are recorded in	A. Creditor's book B. Bills payable book C. Bills receivable book D. Bank book
18	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
19	In the preparation of the worksheet the amounts on the trail balance columns are taken directly from	A. Journal B. Ledger C. Trail balance D. Transaction
20	paid to Nadeem cash Rs. 5000 and a cheque for Rs. 4800 in full settlement of his dued Rs. 10000 should be credited to	A. Cash account B. Bank account C. Discount received account D. All of these