

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	Errors in casting of subsidiary books are called as	A. Error of omission B. Compensating error C. Error of posting D. Clerical errors
3	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
4	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
5	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
6	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
7	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
8	Bank reconciliation statement is prepared by	A. Banker B. Customer's accountant C. Auditors D. Manager
9	The cash book is a	A. Subsidiary Journal B. Ledger Account C. Subsidiary Journal and Ledger D. Trial Balance
10	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
11	Carriage account is a/an	A. asset account B. revenue account C. expenditure A/c D. withdrawal account
12	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
13	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
14	All the acceptances received from the debtors are recorded in	A. Cash book B. Bills payable book C. Debtor's book D. Bills receivable book
15	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of these

		D. None of the above
16	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
17	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
18	It is prepared to determine the gross profit or gross loss	A. Trading account B. Profit or loss account C. Balance sheet D. None of these
19	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit
20	How many columns are drawn on one side of three column cash book ?	A. Five Columns B. Six Columns C. Seven Columns D. Eight Columns