

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
2	All the transactions related to credit sales are recorded in	A. Sales returns book B. Sales book C. Cash book D. Credit note book
3	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
4	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
5	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
6	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
7	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
8	Discount deducted from the catalogue or list price is called:	A. Trade discount B. Cash discount C. Catalogue discount D. Credit discount
9	Our cheque to Ali & Bros, returned dishonored should be credited to	A. Cheque account B. Cash account C. Bank account D. Ali & D. Ali & D. Ali & A
10	Drawings are deducted from	A. Sales B. Income C. Capital D. Expenses
11	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
12	Excise duty is a	A. Direct revenue B. Indirect revenue C. Direct expense D. Indirect expense
13	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
14	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
		A. Single column cash book

15	It is used to record only cash receipts and payments	B. Double column cash book C. Treble column cash book D. Sales book
16	Transaction, having short-term effects are known as	A. Revenue transactionB. Capital transactionC. Non-monetary transactionD. Paper transaction
17	Cash paid to Naeem will affect	A. cash & p; capital B. cash & p; creditor C. cash and debtors D. cash & p; goods
18	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
19	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
20	The debts, the recovery or realization of which is uncertain are known as	A. Bad betsB. Doubtful debtsC. Provision for doubtful debtsD. Loan