

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
2	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
3	The excess of credit column over debit column in income statement is called	A. Net loss B. Net profit C. Cash balance D. Gross profit
4	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
5	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note
6	It is used to record cash, bank and discount transactions on debit and credit side	A. Single column cash book B. Petty cash book C. Double column cash book D. Treble column cash book
7	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b D. None of these
8	A bill of exchange is drawn by:	A. A debtor B. A creditor C. A holder D. Endorsee
9	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
10	Credit Balance of pass book must be equal to debit balance of	A. Cash Book B. Bank Ledger C. Clients other Account D. None of these
11	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
12	Errors, which do not affect on profit calculation, will have an effect only on	A. Trail balance B. Balance sheet C. Profit or loss account D. Trading account
13	Assets come into existence upon the happening of a certain event, are called:	A. Fixed assets B. Fictitious assets C. Floating assets D. Contingent assets
14	If the gross profit is Rs. 5000 and the net profit is 35% of the gross profit then the expenses must be	A. 3250 B. 1250 C. 3750 D. 1750
		A. Reduction

15	A gradual decrease in the value of fixed assets is called	B. Revaluation C. Depreciation D. None of these
16	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
17	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
18	When cheque received, and deposited into bank, bank account must be	A. Credited B. Debited C. Both debited & credited D. None of these
19	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
20	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these