

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
2	Profit or loss appropriation account is not prepared in the case of	A. Partnership B. Joint stock company C. Sole tradership D. Partnership at will
3	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. Both a & D. Both a & D. Both a
4	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
5	Net sales - cost of goods sold - operating expenses = ?	A. Net purchases B. Cost of goods sold available for sale C. Net operating income D. Gross Profit
6	Adjusted is used to prepare the income statement and balance sheet	A. Trail balance B. Ledger C. Balance sheet D. Bank statement
7	The book in which all cash transaction are primarily recorded is called	A. Pass book B. Cheque book C. Finance book D. Cash book
8	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
9	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
10	.lf the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
11	Gross profit equals to	A. Net profit minus expenses B. Sales minus closing stock C. Purchases minus closing stock D. Sales minus cost of goods sold
12	Which of the following normally has a credit balance	A. Machinery a/c B. Purchases a/c C. Stock a/c D. Sales a/c
13	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
14	When cash is withdrawn from the bank for the personal use of the owner, must be debited to	A. Cash account B. Bank account C. Drawings account D. Capital account
15	The amount of assets, liabilities, capital and drawings are extended form adjusted trail balance to the	A. Balance sheet columns B. Income statement columns C. Cash columns

	D. Bank columns
Transportation cost paid for the purchases of Machinery must be debited to	A. Transportation cost account B. Purchases account C. Machinery account D. Cash account
Journal is prepared in	A. Columnar form B. Vertical form C. Horizontal form D. Row form
A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a busniess
When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
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
	Journal is prepared in A balance sheet is a When bank column of a cash book shows a credit balance, it means: