

Principles of accounting Icom Part 1 English Medium Online Test

| Sr | Questions | Answers Choice |
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| 1 | All those expenses which have not become due but paid in advance are called | A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses |
| 2 | 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 |
| 3 | Transaction are recorded data wise, so journal is also called: | A. Entry book B. Transaction book C. Chronological book D. Voucher |
| 4 | Interest on drawings is | A. An asset B. A liability C. An expense D. A revenue |
| 5 | All the time of endorsement of a bill the drawer credits: | A. The drawee account B. The endorser's personal account C. Bill receivable account D. Endorser's account |
| 6 | Errors which affect one account can be | A. errors of principle B. errors of posting C. errors of omission D. none of these |
| 7 | .If 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 |
| 8 | Debit Signifies | A. Increase in Asset Account B. Decrease in Liability Account C. Decrease in Capital Account D. All of the Above |
| 9 | Bad debts are | A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these |
| 10 | The expenditures which reduce revenue (profit) of the business are: | A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures |
| 11 | Real accounts are related to: | A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes |
| 12 | The transactions, the effect of which is not exhausted with in the current accounting year are called | A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction |
| 13 | A transaction has been journalized but posted wrongly in the ledger account, it is an: | A. Error of posting B. Error of principle C. Error of omission D. Error of commission |
| 14 | Net profit is equal to | A. Gross profit - expenses B. Sales - Cost of goods sold C. Sales - expenses D. Capital - expenses |
| 15 | Errors of affect one account can be | A. Errors of principle B. Errors of posting C. Errors of omission |

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| | | D. None of these |
| 16 | Which one of the following is a direct expense? | A. Packing expense B. Advertisement expense C. Manufacturing expense D. Traveling expense |
| 17 | Transaction, having short-term effects are known as | A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction |
| 18 | Disagreement in balances may arise owing to mistake or mistakes in the: | A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only |
| 19 | 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 |
| 20 | The process of totaling the data at the end of the period is called | A. Posting B. Casting C. Compensating D. Recording |