

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
2	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 the above
3	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
4	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
5	In accounting all business transactions are recorded which have:	A. Dual aspect B. Single aspect C. &None of the above D. Economic aspect
6	A Ledger is a book in which	A. Only Personal & Cash Accounts are Opened B. Only Real Accounts are Opened C. Only Nominal Accounts are Opened D. All Real, Nominal and Personal Accounts are Opened
7	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
8	The favorable balance of bank statement is	A. Credit balance B. Debit balance C. Zero balance D. All of these
9	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
10	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
11	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
12	Cost of goods sold is equal to	A. sales - purchases B. purchases + closing stock - returns outwards C. Opening stock - closing stock + purchase + returns inwards D. Opening stock + purchases - returns outwards - closing stock
13	The amount by which the revenue for a particular period of time exceed from expenses incurred to generate them is called	A. Gross income B. Net income C. Revenue D. Expenses
14	A book which is used to record small expenses is called	A. Expenses book B. Cash book

		C. Petty cash book D. Purchases book
15	Which book is used to record all cash receipts and cash payments?	A. Sale book B. Purchase book C. Cash book D. Petty cash book
16	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
17	Sales are equal to	A. Cost of goods sold + Profit B. Gross profit - cost of goods sold C. Cost of goods sold - gross profit D. None of these
18	The periodical total of purchases book is posted to the	A. Debit of purchases account B. Credit of purchases account C. Credit of cash account D. Debit of sales account
19	Assets which have no physical existence are called	A. Tangible assets B. Fictitious assets C. Liquid assets D. Intangible assets
20	Debts which are repayable in the course of less than one year but more than one month are called	A. Quick liabilities B. Deferred liabilities C. Contingent liabilities D. Liquid liabilities