

## Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	The expenditures which reduce revenue (profit) of the business are:	A. Revenue expenditures B. Capital expenditure C. Fixed expenditures D. Future expenditures
2	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & D. purchases & D. purchas
3	The book which is used to record all goods returned by us to our supplier is called	A. Returns inwards book B. Purchases book C. Return outwards book D. Sales book
4	Assets which have no market value are called	A. Wasting assets B. Fictitious assets C. Intangible assets D. Tangible assets
5	When boan statement shown a debit total balance it means:	A. Overdraft  as per cash book B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Overdraft as per bank statement
6	The inflow of assets in return for services performed or products delivered during a period is	A. Asset B. Revenue C. Non current asset D. None of these
7	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
8	Net profit plus expenses is equal to	A. purchases B. Cost of goods sold C. Capital D. Gross profit
9	When ban column of a cash book shows a debit balance it means:	A. Overdraft as per bank B. Unfavourable balance as per cash book C. Favourable balance as per cash book D. Favourable balance as per pass book
10	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
11	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
12	A trial balance can be constructed by	A. Three Methods B. Two Methods C. Four Methods D. Five Methods
13	Error of principle arises when	A. Any transaction is incorrectly recorded, either wholly or partially B. Any transaction is left wholly or partially C. Any transaction is affects one account D. Any transaction is recorded in fundamentally incorrect manner

Which one of the following is a direct expense?	A. Custom duty B. Carriage
	C. Wages D. All of above
Any mistake in ledger can be easily detected with the help of:	A. Journal  B. Balance sheet
	C. Trial balance D. Financial statement
Profit & Loss a/c is prepared to ascertain	A. Gross Profit
	B. Net Profit C. Gross Loss
	D. Real Profit
	A. Packing expense
Which one of the following is a direct expense?	B. Advertisement expense C. Manufacturing expense
	D. Traveling expense
Capitalized expenditures are shown in	A. trading A/c
	B. profit & loss A/c C. income statement
	D. balance sheet
According to accounting equation, capital is equal to	A. assets + liabilities
	B. expenses-incomes C. liabilities - assets
	D. assets - liabilities
The effect of drawing on accounting equation is	A. decrease in assets and decreas
	in liabilities B. increase in both assets & amp;
	liabilities
	C. decrease in assets and increase
	in capital D. none of these
	Any mistake in ledger can be easily detected with the help of:  Profit & Loss a/c is prepared to ascertain  Which one of the following is a direct expense?  Capitalized expenditures are shown in  According to accounting equation, capital is equal to