

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
2	A man buys Rs. 40,000 worth goods and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
3	The price of goods sold or services rendered to the customers is called	A. Sale B. Profit C. Expense D. Revenue
4	Written below each entry is the	A. Transaction B. Voucher no C. Narration D. Date
5	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards
6	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
7	A cash account always shows	A. Debit balance B. Credit balance C. Both debit and credit balance D. Nil balance
8	Cash account is concerned with:	A. Real account B. Personal account C. Nominal account D. Capital account
9	All expenses connected with the office and its conduct are called	A. Selling expenses B. Marketing expenses C. Service expenses D. Administrative expenses
10	It is prepared to determine the net profit or net loss	A. Trading account B. Profit or loss account C. Cash book D. Balance sheet
11	The first successful step of Double Entry System is	A. Leger B. Journal C. Final Account D. Trial Balance
12	Record of business transaction in the journal is called	A. Detail B. Summary C. Narration D. Entry
13	In journalizing the page numbers of the ledgers are written in:	A. The first column of journal B. The second column of journal C. The third column of journal D. The fourth column of journal
14	Transactions are recorded date wise, so journal is also called:	A. Entry book B. Transaction book C. Chronological book D. Voucher
15	Credit purchases are recorded in	A. Purchases book B. Creditors book C. Cash book D. Purchases returns book

16	The valuation of closing stock is at	A. Cost price B. Market price C. Cost or market price whichever is lower D. Cost or market price whichever is higher
17	Bank reconciliation statement is prepared by	A. Banker B. Customers Accountant C. Auditor D. Manager
18	Retiring a bill under rebate means	A. Payment of Bill Before Due Date B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill
19	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
20	In adjusting the cash balance one of the following is not taken into account:	A. Mistakes in the cash book B. Mistake in the bank statement C. Interest and dividends credited in the bank statement D. None of the above