

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

Sr	Questions	Answers Choice
1	Interest paid on loan is	A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses
2	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
3	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
4	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
5	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
6	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
7	Left hand side of an account is called	A. Debit Side B. Credit Side C. Both a & b D. None of these
8	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
9	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
10	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
11	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
12	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
13	Net sales equal to	A. Sales - Returns outwards B. Sales + Returns inwards C. Sales - Returns inwards D. Purchases - Returns inwards
14	Allowance for discount on account receivable is calculated on the amount of account receivable	A. Before deducting the allowance for doubtful debts B. Left after deducting the allowance for doubtful debts C. Before deducting the actual bad debts D. None of these
		A. cash & capital

15	Cash paid to Naeem will affect	<ul style="list-style-type: none"> <li>B. cash &amp; creditor</li> <li>C. cash and debtors</li> <li>D. cash &amp; goods</li> </ul>
16	If a transaction has been completely omitted from the Journal it will be considered	<ul style="list-style-type: none"> <li>A. Error of commission</li> <li>B. Error of principle</li> <li>C. Error of omission</li> <li>D. None of these</li> </ul>
17	The first successful step of Double Entry System is	<ul style="list-style-type: none"> <li>A. Leger</li> <li>B. Journal</li> <li>C. Final Account</li> <li>D. Trial Balance</li> </ul>
18	Sales are equal to	<ul style="list-style-type: none"> <li>A. Cost of goods sold + Profit</li> <li>B. Gross profit - cost of goods sold</li> <li>C. Cost of goods sold - gross profit</li> <li>D. None of these</li> </ul>
19	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	<ul style="list-style-type: none"> <li>A. Increase the net profit by, double amount</li> <li>B. Decrease the net profit</li> <li>C. Decrease the net profit by double amount</li> <li>D. Have no effect on the net profit</li> </ul>
20	The gross amount of goods sold or services performed during an accounting period is known as	<ul style="list-style-type: none"> <li>A. Purchase</li> <li>B. Sale</li> <li>C. Gross profit</li> <li>D. Net profit</li> </ul>