Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
2	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
3	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit C. Decrease the net profit by double amount D. Have no effect on the net profit
4	The document evidencing cash receipts and payments and forming the basis for making entries in the cash book is called:	A. Receipt voucher B. Payment voucher C. Cash voucher D. Cash memo
5	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
6	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
7	A copy of the customer's account in the bank's ledger is called:	A. Deposit statement B. Balance statement C. Bank statement D. Customer
8	Contra Refers to	A. Same Side B. Parallel Side C. Opposite Side D. None of these
9	Net purchases are equal to	A. Sales - returns outwards B. Purchases + returns inwards C. Purchases - returns outwards D. Purchases + returns outwards
10	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
11	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
12	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
13	Cash account is concerned with:	A. Real account B. Personal account C. Nominal account D. Capital account
14	An operating statement is similar to a	A. Balance sheet B. bank reconciliation statement C. Financial statement

		D. Profit or loss statement
15	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
16	Income statement is prepared to ascertain the net result of the business concern under	A. British accounting system B. American accounting system C. Cash system of accounting D. None of these
17	Pass book is prepared by	A. Debtor B. Creditor C. Banker D. Customer
18	Bill receivable account is a:	A. Nominal account B. Personal account C. Real account D. Expenses account
19	_____ simplifies work to be done at the end of the period	A. Work sheet B. Ledger C. Trail balance D. Balance sheet
20	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts