Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	A statement which is used to reconcile the bank balance as per cash book with the balance as per pass book is called	A. Bank statement B. Income statement C. Bank reconciliation statement D. Financial statements
2	A document is sent to customer when he returns the goods is called	A. Promissory note B. Debit note C. Currency note D. Credit note
3	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
4	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
5	One way of avoiding errors in the permanent accounting records is to use a form which is called	A. Bank statement B. Trail balance C. Balance sheet D. Work sheet
6	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
7	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
8	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
9	Salary outstanding account relevant to:	A. Representative personal account B. Artificial person's account C. Natural persons account D. Nominal accounts
10	.If the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
11	Cash of sales is equal to	A. Sales - purchases B. Purchases - return + closing stock C. Opening stock + Purchases (Net) - Closing stock D. Sales + Opening stock - (Purchases + Closing stock)
12	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet
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	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
15	The Amount of salary paid to Sohail should be debited to	A. Sohail's a/c B. Cash Account C. Salaries a/c D. Both a & c
16	Assets which have no physical existence are called	A. Tangible assets B. Fictitious assets C. Liquid assets D. Intangible assets
17	The balance of the trading account is the transferred to:	A. Profit and loss account B. Balance sheet C. Work sheet D. Position statement
18	A bill from the point of view of a creditor is called a:	A. Bill payable B. Bill receivable C. Bil acceptable D. Bill rejectable
19	The _____ is not a part of the permanent accounting record	A. worksheet B. Journal C. Ledger D. Trail balance
20	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts