

Principles of Accounting Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	The income and expenditure account begins with.	A. Opening debit balance B. Opening credit balance C. Opening balance D. None of these
2	When a new partner is admitted without the consent of the old partner.	A. Partnership will be dissolved B. Will value C. Agreed value D. None of these
3	Joint life policy account after the maturity of the policy should be transferred to the capital accounts of the partners in.	A. Capital ratios B. Old profit sharing ratios C. New profit sharing ratio D. Gaining ratios
4	General reserve at the time of dissolution is transferred to	A. All partners capital accounts B. Realization account C. Solvent partners capital account D. Insolvent partner's capital account
5	Single entry system can best be maintained by.	A. Sole owner B. Partnership concern C. Joint stock companies D. All of the above
6	The investment in partners capital accounts is to be credited to.	A. Partners capital accounts B. Profit and loss account C. Interest account D. None of these
7	Commission due to the consignee is calculated on.	A. Credit sales only B. Cash sales only C. Total sales D. None of these
8	Value of the good will is calculated under capitalization formula.	A. Average profit / reasonable return x 100 B. Reasonable return / average profit x 100 C. Average profit x 100 / reasonable return D. None of these
9	Gaining ratios are equal to.	A. New Ratio - Old ratio B. Old ratio- New ratio C. New Ratio + old ratios D. Capital ratios- New Ratios
10	Income and expenditure account is prepared at the	A. Start of the year B. Mid of the year C. End of the year D. At the start and end of the year
11	Registration of the firm.	A. It is legally necessary B. It is optional C. It depends on the will of the partners D. It depends upon the will of the employee
12	Realization account is a.	A. Nominal account B. Real account C. Personal account D. Cash account
13	At the end of the year non trading institutions prepare.	A. Profit and loss account B. Income and expenditure account C. Manufacturing account D. None of the above
14	Amount received by the way of gift from any person or organization is called.	A. Donation B. Subscription C. Legacy D. None of these

15	The extra amount charged from the new partner over and above the capital is for.	A. Purchase of Machinery B. Good will C. Purchaser of furniture D. Payment of liabilities
16	The single entry system of book keeping is generally followed by	A. Small business concern B. Large Business concern C. Non trading concern D. None of these
17	The opening capital is ascertained by preparing.	A. Cash account B. Opening statements of affairs C. Total debtors account D. Total creditors account
18	The debentures which are payable to bearer, are termed as.	A. Non transferable B. Registered debentures C. Bearer debentures D. Non - bearer debentures
19	In income and expenditure account	A. Expenses are recorded on debit side B. Revenues are recorded on credit side C. Does not start with any opening balance D. All of the above
20	The total amount received by the company out of the total called up amount is known as the.	A. Called up capital B. Paid up capital C. Issued capital D. Reserve capital