

Principles of Accounting Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	The joint stock company is formed under companies ordinance.	A. 1984 B. 1974 C. 1884 D. 1962
2	In increased net worth method, profit or loss is calculated by preparing,	A. Income and expenditure account B. Profit and loss account C. Statement of profit or loss D. Balance sheet
3	Cash book is prepared to find out the figure of.	A. Opening capital B. Closing cash balance C. Net profit D. Financial position
4	If the price required to be paid to the company for the share is equal to the nominal value of that share it is called.	A. At discount B. At premium C. At par D. None of these
5	On the admission of a new partner the increase in the value of assets is debited	A. Revaluation account B. Assets account C. Old partners capital account D. New partners capital account
6	If the debit side of the receipt and payment account exceeds the credit side it represents.	A. Bank over draft B. Cash at bank C. Surplus balance D. Deficit balance
7	Which of the following method is suitable for charging depreciation on machinery and furniture.	A. Straight line method B. Diminishing balance method C. Depreciation on fixed method D. Annuity method
8	The system in which accounting records are not kept strictly according to the double entry principle of book keeping is called.	A. Single , entry system B. Accrual system C. Double entry system D. Cash system
9	The company formed by the means of Royal Charter is called.	A. Public limited company B. Private limited company C. Chartered company D. Registered company
10	A partner who invests capital in the business but does not take active part in the conduct of the business is called.	A. Active partner B. Sleeping partner C. Secret partner D. None of these
11	Closing capital in single entry system is calculated by preparing,	A. Opening statement of affairs B. Closing statement of affairs C. Opening balance sheet D. Closing balance sheet
12	How many methods are available to calculate the profit or loss under single entry system,	A. One B. Two C. Three D. Four
13	In single entry system real accounts are not maintained so the preparation of,	A. Correctly B. Effectively C. Wrongly D. Approximately
14	Consignment account is in the nature of.	A. Profit and loss account B. Real account C. Personal Account D. None of these
15	Due to fresh capital introduced during the year, the closing capital will,	A. Increase B. Decrease C. Constant D. Multiply

16	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
17	Current accounts of the partners should be opened when the capital are.	A. Fixed B. Fluctuating C. Either fixed or fluctuating D. None of these
18	In the books of consignor, the loss on the consignment should be credited to.	A. Consignment account B. Consignee's account C. Profit and loss account D. Goods sent on consignment
19	Old profit sharing ratio minus new profit sharing ratio is equal for.	A. Sacrificing ratios B. Gaining ratios C. Distributing ratios D. None of these
20	The total amount of capital, in case of company is divided into small units, these units are called.	A. Bonds B. Cheque C. Share D. Reserve
