

## Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 13 Short Question Preparation

Q1. What are the error of trial balance?

**Ans 1:** Error which are made in the preparation of trial balance are called trail balance error.

Q2. What is suspense account?

**Ans 1:** A suspense account is an account in which those transactions are entered which can not be placed to their proper accounts immediately due to lack of some information etc.

Q3. What is meant by under cast?

**Ans 1:** If an entry is passes with less amount than actual amount it is called under cast,For example Aslam paid Rs 2000 but while passing the entry it was written 200 it is called under cast.

Q4. Define error of commission.

**Ans 1:** An error of commision occurs when a transaction is wholly or partially recorded incorrectly.These error are common and usually and consists of incorrect addition wrong postings carry forwards etc.

Q5. Define error of posting?

**Ans 1:** An error in which amount is posted to the wrong side of the same account is known as error of posting.

Q6. What is meant by book keeping errors?

**Ans 1:** These are the errors which may be made in the original documents viz,In the journal and in the ledger.

Q7. What are the error compensation?

**Ans 1:** Compensating error means an error which are cancelled by the other error of same amount in the same account,It is difficult to detect such error is called compensating errors.

Q8. Give two examples of error of principle.

**Ans 1:** 1.wages are paid for installation of machinery wrongly debited to wages account.

2.Repair of furniture has been wrongly debited to furniture account.

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Q9. What is meant by errors of casting?

**Ans 1:** An error due to which total of an account is more or less recorded is known as error of casting.

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Q10. Define principle of error.

**Ans 1:** An error of principle is one where a transaction is entered without due regard to the fundamental principles of double entry, e.g wages paid for the installation of machinery wrongly debited to wages account.

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