

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 3 Short Question Preparation

Q1. What is real account?

Ans 1: Accounts which keeps records of properties or things owned by the business are called real accounts or proper accounts, Land accounts, Machinery accounts, Furniture accounts are the example of real accounts.

Q2. What is Personal Account?

Ans 1: Account which are related with person or institution are known as personal accounts e.g Habib Bank, Debtor account, Debtor account, etc.

Q3. What is meant by single entry system?

Ans 1: A system in which only aspect of a transaction is recorded and sometimes no aspects of a transaction is called single entry system.

Q4. Define account.

Ans 1: An account is summarizing record of transactions relating to a particular person or thing.

Q5. What is meant by nominal account?

Ans 1: Accounts which keeps records of expenses losses gains are called nominal accounts. Rent account, salary account, repair account carriage in loss, by theft commission received etc, are the example of nominal amounts.

Q6. Define double entry keeping?

Ans 1: The system under which both the changes in transactions are recorded one change is debited, while the other changes is credit with an equal amount is called double entry book keeping system.