

Principles of Accounting - ICOM Part 1 Principles of Accounting Full Book Preparation



Q9. What is mean by zero balance?
Ans 1: If the two sides of an account are equal that account will show zero balance.
Q10. Write any three names of bank accounts.
Ans 1: The name of back account are as under:
Profit and loss sharing Current Account
3. Fixed Deposit Account
Q11. What is revenue loss?
Ans 1: A loss made on the sale of goods or floating assets is called assets is called revenue loss.
Q12. Define pay in slip book.
Ans 1: This book is provided by the bank to its customers free of cost.lt contain blank printed forms which are known as pay in slip book,When a customers desire to deposit cash or cheque in his account.
Q13. Define journal.
Ans 1: It is a book of original entry to record in order of date and in detail the various transactions of a business concern.
Q14. Define liquid assets.
Ans 1: Assets which can converted immediately into cash or which are already in the form of cash are called liquid or quick assets.
Q15. What are indirect expenses?
Ans 1: All those expenses other than direct expenses are known as indirect expenses. These expenses include salaries rent, interest etc.
Q16. What is cash book?
Ans 1: Cash book is also a book of originally entry in which all transactions relating to cash both receipts and payments are recorded chronologically.
Q17. Define return outwards.

Ans 1: When the goods purchased are found defective or unsatisfactory they are returned to the supplier, It is called return outwards or purchase return, Journal entry for the return outwards is as under:

1. Goods returned to Adnan Rs 6000

Adnan account

to purchases return Account

(Defective Goods returned to the supplier).

Q18. 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.

Q19. What is meant by the term revenue?

Ans 1: It is a price of goods sold or services provided by a business to its customers, sales rent received etc.

Q20. What are wasting assets?

Ans 1: Wasting assets are tangible fixed assets but are called wasting assets because of their nature which decrease in value with decrease of quantity.