

Principles of accounting Icom Part 1 English Medium Chapter 1 Online Test

Sr	Questions	Answers Choice
1	A dealing between two persons is called a	A. business B. transaction C. purchases D. sales
2	Goods returned by customers are	A. purchases B. purchases returns C. sales returns D. sales
3	A basis of business languages	A. accounting B. bookkeeping C. transaction D. cost accounting
4	Modern system of bookkeeping is	A. single entry system B. double entry system C. modern system D. none of these
5	Bookkeeping provides the	A. primary information B. secondary information C. final information D. insufficient information
6	Double entry means	A. entry in two sets of books B. entry at two dates C. entry for two aspects of a transaction D. recording twice in journal
7	Accounting principles can be classified in	A. three types B. two types C. five types D. six types
8	For every debit, there is a credit	A. going concern concept B. dual aspect concept C. matching concept D. cost concept
9	Accounting records of a business enterprise are required by	A. management of the business B. outsiders C. all of the above D. none of the above
10	According to accounting equation, capital is equal to	A. assets + liabilities B. expenses-incomes C. liabilities - assets D. assets - liabilities
11	Expenses paid by a business decrease	A. cash B. capital C. cash & capital D. none of these
12	Purchased goods on credit and for cash will affect	A. cash & goods B. cash & creditors C. cash creditors & owner's equity D. cash goods and creditors
13	When cash is paid to creditors it will decrease	A. cash B. capital C. debtor D. cash & creditors
14	The effect of drawing on accounting equation is	A. decrease in assets and decrease in liabilities B. increase in both assets & liabilities C. decrease in assets and increase in capital D. none of these

15	Cash paid to Naeem will affect	A. cash & capital B. cash & creditor C. cash and debtors D. cash & goods
16	The accounts of expenses, incomes, losses and gains	A. real accounts B. valuation accounts C. nominal accounts D. personal accounts
17	The accounts of assets and properties	A. nominal accounts B. real accounts C. personal accounts D. valuation accounts
18	Carriage account is a/an	A. asset account B. revenue account C. expenditure A/c D. withdrawal account
19	Ahmad's account is an example of	A. real account B. personal A/c C. nominal account D. none of these
20	How many categories of accounts are	A. two B. three C. four D. five
21	The system of recording transaction based on dual concept is called	A. Double account system B. Double entry system C. Single entry system D. Management system
22	The recording of transaction chronologically in the book of accounts is called:	A. Summarizing B. Classifying C. Recording D. None of above
23	Events which are related with money are called:	A. Monetary events B. Non - monetary events C. None-social events D. Political events
24	Accounts relating to persons of firms are called:	A. Real accounts B. Proprietary accounts C. Personal accounts D. Nominal accounts
25	Journal shows all necessary information regarding.	A. The document B. A transaction C. The accounting D. Meeting
26	All cash purchases and cash sales are recorded in:	A. Sales book B. Purchases book C. Both a & b D. Cash book
27	A copy of the customer's account in the bank's ledger is called:	A. Deposit statement B. Balance statement C. Bank statement D. Customer
28	Disagreement in balances may arise owing to mistake or mistakes in the:	A. Cash book only B. Bank statement C. Cash book or bank statement D. Bank column of the cash book only
29	A bill of exchange contains:	A. An unconditional order B. A promise C. A request D. A conditional order
30	The act result of the business activities is shown by:	A. Profit and loss account B. Profit & and loss appropriation account C. Trading account D. Balance sheet
31	Which of the following discloses the financial position of the business:	A. Trading account B. Profit and loss account C. Profit and loss appropriation account D. Balance sheet

A. Capital expenditure

32	An expenditure which is incurred again and again is a:	A. Capital expenditure B. Future expenditure C. Deferred expenditure D. Revenue expenditure
33	An expenditure incurred to the increases the profit earning of the concern is a:	A. Revenue expenditure B. Current expenditure C. Capital receipt D. Capital expenditure
34	Error due to wrong allocation as expenditure between capital and revenue is regarded as:	A. Error of omission B. Error of principle C. Compensating errors D. Error of Commission
35	The errors in which amount have occurred on the opposite sides of two or more accounts and have concealed themselves in the net result, are:	A. Error of principle B. Errors of omission C. Errors of commission D. Compensating error