

Principles of accounting Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
2	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
3	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
4	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
5	Interest paid on loan is	A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses
6	Net Sales represent	A. Sales - return outwards B. Sales - return inwards C. Sales - return to supplier D. both b and c
7	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales
8	Goodwill, patent, copyright are classified as	A. Current Assets B. Fixed Assets C. Tangible Assets D. Wasting Assets
9	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
10	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income
11	The account of depreciation of building of Rs. 30,000 at 5% p.a. will be	A. Rs. 20,00 B. Rs. 15,00 C. Rs. 25,00 D. Rs. 5,00
12	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
13	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
14	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
15	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors

		D. Outstanding expense
16	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
17	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c D. none of these
18	The bad debts which are showed in the trial balance are called	A. new bad debts B. old bad debts C. further bad debts D. additional bad debts
19	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
20	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
21	The concession given by the supplier to the buyer on purchases of good is known as:	A. Sales discount B. Trade discount C. Purchase discount D. Discount received
22	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
23	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
24	The creditor of the business are called:	A. Assets B. Liabilities C. Capital D. Income
25	Rent account' is a kind of:	A. Real account B. Personal account C. Nominal account D. Capital account
26	The money with which business is started is known as:	A. Capital B. Creditor C. Income D. Debtor
27	Any mistake in ledger can be easily detected with the help of:	A. Journal B. Balance sheet C. Trial balance D. Financial statement
28	Loss of good by fire should be credited to:	A. Purchase account B. Sales account C. Loss by goods by fire account D. Capital account
29	The balance of the 'Caha Column' in cash book is always:	A. Debit balance B. Credit balance C. Both debit and credit balance D. None of the above
30	Cash account is a:	A. Personal account B. Real account C. Nominal account D. Both real and personal account
31	In adjusting the cash balance one of the following is not taken into account:	A. Mistakes in the cash book B. Mistake in the bank statement C. Interest and dividends credited in the bank statement D. None of the above
32	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement i s the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted

33	The person to whom a bill is addressed is the:	<div><div>A. Debtor</div><div>B. Creditor</div><div>C. Holder</div><div>D. Agent</div></div>
34	A bill from the point of view of a creditor is called a:	<div><div>A. Bill payable</div><div>B. Bill receivable</div><div>C. Bil acceptable</div><div>D. Bill rejectable</div></div>
35	Assets come into existence upon the happening of a certain event, are called:	<div><div>A. Fixed assets</div><div>B. Fictitious assets</div><div>C. Floating assets</div><div>D. Contingent assets</div></div>