

Principles of Accounting Icom Part 2 English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Non-profit making organizations	A. Buy goods B. Manufacture goods C. Sell goods D. None of these
2	Example of non-profit making organization	A. Fan factory B. Sugar industry C. Hospital D. Shoe factory
3	Non-profit making organizations are established for	A. Profit B. Charitable or religious purpose C. To manufacture goods D. To help the rich people
4	Non-profit making organization is also known as	A. Non-profit seeking concern B. Non-trading concern C. Trading concern D. "a" and "b"
5	The method for preparing the final accounts in trading concerns and non-profit making organizations are	A. Same B. Different C. Easy D. Difficult
6	A person who is elected to run the club	A. Treasurer B. Secretary C. Chairperson D. President
7	The basic club record or book of original entry in non-profit making organization	A. Purchase book B. Sales book C. Cash book D. "a" and "b"
8	Receipts and payments account records the transactions of	A. Revenue nature B. Capital nature C. Revenue and capital nature D. None of these
9	Receipts and payments account shows	A. Debit and credit balances of ledgers B. Incomes and expenditures C. Cash receipts and payments D. Assets and liabilities
10	A receipts and payments account is similar to	A. An income and expenditure B. A statement of affair C. A cash or a bank account D. A profit or loss account
11	Receipts and payments account records transaction relating to	A. Past year B. Future year C. Present year D. All of the above
12	In receipt and payments account	A. No narration is written B. No ledger reference is recorded C. Daily cash balance cannot be ascertained D. All of the above
13	In cash book	A. Each entry is followed by narration B. Ledger reference is recorded C. Each transaction is recorded in chronological order D. All of the above
14	In non-profit making organization final accounts contains	A. Income and expenditure account and balance sheet B. Receipts and payments account and balance sheet C. Receipts and payments account and statement of affairs D. None of these

		D. Profit and loss account and balance sheet
15	It is prepared by non-profit making organizations to determine surplus or deficit	A. Trading account B. Profit and loss account C. Receipts and payments account D. Income and expenditure account
16	Income and expenditure account records the transactions of	A. Revenue nature B. Capital nature C. Revenue and capital nature D. None of the these
17	Non-profit seeking organizations prepare	A. Manufacturing account B. Trading account C. Income and expenditure account D. Profit and loss account
18	Non-profit seeking organization income and expenditure account performs the same function as profit seeking organization's	A. Trading and profit and loss account B. Balance sheet C. Bank account D. Petty cash book
19	Income and expenditure account shows	A. Cash in hand B. Surplus or deficit C. Cash at bank D. Capital account
20	All transactions relating to non-profit seeking concerns are recorded in the books of account strictly according to	A. Single entry system B. Double entry system C. Treble entry system D. "a" and "b"
21	In income and expenditure account	A. Expense are recorded on debit side B. Revenues are recorded on credit side C. Does not start with any opening balance D. All of the above
22	the activities of non -trading concern are managed by the.	A. Directors B. Member C. governing body D. Promoters
23	The main sources of income of for on -trading concern is.	A. Subscriptions B. Donations C. Sales D. Dividends on investment
24	Receipt and payment account includes.	A. Revenue items B. Capital items C. Both capital and Revenue items D. None of the above
25	If the debit side of the receipt and payment account exceeds the credit side it represents.	A. Bank over draft B. Cash at bank C. Surplus balance D. Deficit balance
26	Surplus balance can be shown in the balance sheet as.	A. Asset B. Liability C. Owner's equity D. None of these
27	At the end of the year non trading institutions prepare.	A. Profit and loss account B. Income and expenditure account C. Manufacturing account D. None of the above
28	Income and expenditure account shows.	A. Surplus or deficit B. Not profit or net loss C. Capital account D. Cash in hand
29	If the credit side of the income and expenditure account is greater it is termed as.	A. Deficit B. Surplus C. Asset D. Liability
30	If the debit side of the income and expenditure account is greater than the credit side it is termed as.	A. Surplus B. Deficit C. Assets D. Liabilities
		A. An income B. An assets

31	Subscription Received in advance is.	B. An asset C. Liability D. An expenditure
32	Non- trading concern prepare.	A. Profit and loss account B. Income and expenditure account C. Manufactureing account D. None of these
33	The income and expenditure account performs the same function as.	A. Trading and profit and loss account B. Manufactureng account C. Balance sheet D. None of these
34	The Receipt and payment account is the summery of the	A. Cash book B. Balance sheet C. Trqail balance D. Profit and loss account
35	Income and expenditure account is credited with all.	A. Expenses B. Incomes C. Assets D. Liabilities
36	Income and expenditure account is debited with all.	A. Expenses B. Incomes C. Liabilities D. Assets
37	Receipt and payment account starts with the.	A. Opening balance B. Ending balance C. Beginning or ending balance D. None of these
38	Receipt and payment account is prepared at the.	A. Start of the year B. End of the year C. Mid of the financeial year D. None of these
39	Income and expenditure account is equivalent to the.	A. Receipt and payment account B. Balance sheet C. Cash book D. Profit and loss account
40	Income and expenditur eaccount is prepared on.	A. Cash basis B. Accrual basis C. Cahs of accrual basis D. None of these
41	Income and expenditur eaccount is prepared at the	A. Start of the year B. Mid of the year C. End of the year D. At the start and ed of the year
42	Debit side of income and expenditur eaccount records.	A. Expenses and losses B. Income and gains C. Assets D. Liabilities
43	Credit side of iincome and expenditure account records.	A. Expenses and losses B. Income and gains C. Assets D. Liabilities
44	Income and expenditure account is usually accompanied by.	A. Trail balance B. Balance sheet C. Income and gains D. Liabilities
45	Income and expenditure account is usually accompanied by.	A. Trail balance B. Balance sheet C. Cash book D. None of these
46	The difference of the two sides of receipt and payment account represents.	A. Opening cash balance B. Closing cash or bank balance C. Opening bank balance D. None of these
47	Accured subscription represents.	A. An expense B. An income C. An asset D. A liability.
48	An income and expenditure account is.	A. Normal account B. Real account C. Persoanl account D. None of these

49	Donation received in heavy amount are treated as.	A. Revenue B. Capitalized C. Liability D. Assets
50	Lagacies are generally treated as.	A. Income B. Capitalized C. Assets D. Liability
51	The account of non trading concern are generally maintained according to.	A. Mereantile accounting system B. Double entry system of book keeping C. Cash accounting system D. None of the above
52	The income and expenditure account begins with.	A. Opening debit balance B. Opening credit balance C. Opening balance D. None of these
53	Admission fee income should be.	A. Treated as income B. Capitalized C. Proportionate to revenue and capitalized D. None of these
54	Subscription outstanding in the beginning are shown in the	A. Trading account B. Income and expenditure account C. Balance sheet D. Profit and loss account
55	Excess of assets over liabilities is an indication of.	A. Solvency B. Insolvency C. Deficiency D. Loss
56	Excess of liabilities over assets is an indication of .	A. Solvency B. Insolvency C. Surplus D. Profit
57	Capital is obtained by deductin liabilities from.	A. Expenditures B. Receipt C. Assets D. Incomes
58	The income through admissionfee shoul db e.	A. Capitalized B. Treated as revenue C. Treated as liability D. An expenses
59	The excess of total assets over total liabilities of a concern is called.	A. Surplus B. Deficit C. Capital fund D. Profit
60	Capital fun of non trading concern is equal to.	A. Assets + Income B. Assets + Liabilities C. Expenditure + Liabilities. D. Assets - Liabilities
61	Amount received by the way of gift from any person or organization is called.	A. Donation B. Subscription C. Legacy D. None of these
62	The amount paid to person who was invited to deliver a lecture in a club is known as.	A. Hoorarium B. Salary C. Wages D. None of these
63	Purchase of sports material for the club should be treated as.	A. Expense B. Assets C. Income D. Liability
64	Subcription received during the current year is.	A. An income B. An expenditure C. An asset D. An liability.
65	Depreciation written off on fixed assets should be recorded in the.	A. Income and expenditure account only B. Receipt and payment account only C. Receipt and payment account and banalce sheet D. Income and expenditure account

and balance sheet.

66 Receipts and payments accounts records transaction relating to.

- A. Current year
- B. Past year
- C. future year
- D. All of the above

67 Amount received by the concern as per the will of the donor is known as.

- A. Lagacy
- B. Donation
- C. Subscription
- D. None of these