

Principles of accounting Icom Part 1 English Medium Chapter 14 Online Test

Sr	Questions	Answers Choice
1	If the balance of suspense account is credit then it will be shown in balance sheet on	A. Asset side B. Asset and liability side C. Asset and capital side D. Capital and liability side
2	If amount for Rs. 554 recovered from Ali, previously written off as bad debts we should	A. Debited to bad debts recovered account B. Credited to Ali account C. Debited to bad debts account D. Credited to bad debts recovered account
3	When balance of suspense account has debit balance it will be shown in balance sheet on	A. Liability side B. Capital side C. Asset side D. Credit side
4	Any difference in trail balance, is transferred to	A. Sales account B. Nominal account C. Purchases account D. Suspense account
5	Errors, which do not affect on profit calculation, will have an effect only on	A. Trail balance B. Balance sheet C. Profit or loss account D. Trading account
6	Error which affects profit and loss account relates to	A. Nominal account B. Property account C. Personal account D. None of these
7	Wages paid for the erection of machine debited to wages account is an example of	A. Error of omission B. Error of commission C. Error of principle D. None of these
8	.If the error committed in the capital account, it will affect	A. Trading account B. Profit and loss account C. Trading and profit and loss account D. Balance sheet
9	A sale of Rs. 1000 to Farid, was credited to his account, it will affect	A. Sales account B. Farid account C. Cash account D. Both a & b
10	If any income omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. having no effect on profit
11	If any expense omitted to be recorded it will	A. Overstate the profit B. Understate the profit C. Both a & b D. No effect on profit
12	If there is any error in Bank account it will affect	A. Trading and profit and loss account B. Profit and loss account C. Trading account D. Balance sheet
13	The credit purchases were wrongly recorded in sales book, the rectification of entry	A. Increase the net profit by double amount B. Decrease the net profit by double amount C. Decrease the net profit D. Increase the net profit
14	Error of carry forward will affect	A. Personal accounts B. Nominal accounts C. Impersonal accounts D. All of these

D. None of these

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Transportation cost paid for the purchases of Machinery must be debited to

A. Transportation cost account

B. Purchases account

C. Machinery account

D. Cash account