

## Principles of accounting Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
2	A man buys Rs. 40,000 worth of goods and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
3	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
4	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
5	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
6	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Registrar
7	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
8	The transaction for which a separate book is maintained are recorded in:	A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book
9	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
10	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
11	Nominal accounts are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
12	Real accounts are related to:	A. Assets B. Expenses, & losses and incomes C. Customers, & creditors D. Incomes
13	The concept of conservation will have the effect of:	A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above
14	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
15	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. Debit transaction

