

Principles of accounting Icom Part 1 English Medium Chapter 6 Online Test

Sr	Questions	Answers Choice
1	If sales return for Rs. 3,000 were incorrectly included in sales book, gross profit will be	A. overstated by Rs. 3,000 B. understated by Rs. 6,000 C. understated by Rs. 3,000 D. overstated by Rs. 6,000
2	Which account will be created in the presence of suspense account, if sales book is undercast by Rs. 500	A. suspense A/c B. sales A/c C. cash A/c D. none of above
3	If the error committed in the capital account, it will affect	A. trading account B. profit & loss account C. trading and profit & loss account D. balance sheet
4	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account
5	Goods sold to Ali for Rs. 50,000 recorded in purchases day book will affect	A. purchases A/c B. sales account C. purchases, sales & Ali account D. purchases & sales account
6	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
7	Suspense means	A. certainty B. uncertainty C. surly D. none of these
8	Wrong allocation of capital and revenue items of expenses represents	A. error of casting B. error of principle C. compensation error D. error of commission
9	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
10	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
11	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
12	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
13	A receipt is revenue receipt because	A. the amount is small B. it relates to routine activity of business C. it is received in the accounting year D. both b, c
14	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet

- A. revenue receipts
 - B. current receipts
 - C. capital receipts
 - D. capital profit
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