

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Errors which affect one account can be	A. errors of principle B. errors of posting C. errors of omission D. none of these
2	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
3	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
4	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
5	Capitalized expenditures are shown in	A. trading A/c B. profit & loss A/c C. income statement D. balance sheet
6	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
7	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
8	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b, c
9	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
10	Preliminary expenses incurred before the commencement of business	A. revenue expenditure B. capital expenditure C. deferred revenue expenditure D. capital loss
11	The outflow of funds to meet the running expenses of a business	A. Revenue loss B. Revenue expenditure C. capital expenditure D. capital loss
12	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
13	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
14	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
15	Wages paid for installing a machine should be debited to	A. Wages a/c B. Cash a/c C. Machinery a/c

