Principles of accounting Icom Part 1 English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Profit & Loss a/c is prepared to ascertain	A. Gross Profit B. Net Profit C. Gross Loss D. Real Profit
2	Income received in advance during the year is	A. Prepaid Expenses B. Accrued Income C. Advance Expenses D. Advance Income
3	From business point of view, interest on capital is considered as	A. An income B. An Expense C. A Profit D. A Liability
4	A bill from the point of view of a creditor is called a:	A. Bill payable B. Bill receivable C. Bil acceptable D. Bill rejectable
5	Goods withdrawn by the proprietor for personal use should be credited to	A. Purchase a/c B. Drawings a/c C. Expenses a/c D. Revenue a/c
6	The const concept applied only to the assets and not to:	A. Expenses B. Liabilities C. Incomes D. None of these
7	Office rent is a	A. Financial Expense B. Abnormal Loss C. Management Expense D. Maintenance Expense
8	The debts, the recovery of which is uncertain are called	A. Unbelievable debts B. unrealized debts C. doubtful debts D. both b and c
9	The payments side of the cash book is undercast by Rs. 200, when overdraft as per bank statement i s the starting points:	A. Rs. 200 will be deducted B. Rs. 200 will be added C. Rs. 400 will be added D. Rs. 400 will be deducted
10	Interest on drawing is debited to	A. Capital B. Drawings C. Sundry Creditors D. Outstanding expense
11	Financial accounting is mainly confined to preparation of:	A. Manufacturing statement B. Financial statements C. Production statement D. Sale statement
12	Gross profit is derived from	A. Trading a/c B. Profit & Loss a/c C. Trial Balance D. Balance Sheet
13	Net profit is always	A. Equal to gross profit B. more than gross profit C. Less than gross profit D. None of these
14	Income tax paid is a	A. Business Expense B. Business Revenue C. Business Liability D. Personal Expense
15	Interest paid on loan is	A. Abnormal Loss B. Financial Expenses C. Management Expenses D. Maintenance Expenses

16	Bad debts recovered should be credited to	A. Balance Sheet B. Trading a/c C. Profit & Loss a/c D. None of these
17	Assets having some market value	A. Fictitious Assets B. Real Assets C. Unreal Assets D. None of these
18	Net Profit is transferred to	A. Trading Account B. Balance Sheet C. Capital a/c D. Trial Balance
19	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
20	Gross profit represents	A. Opening stock + purchases B. closing stock + direct expenses - sales C. closing stock-purchases-direct expenses + sales D. purchases - sales