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

Sr	Questions	Answers Choice
1	Any expenditure incurred to increase the earning capacity of a business	A. capital expenditure B. capital loss C. revenue loss D. revenue expenditure
2	Receipts, which are non-recurring by nature, are called	A. revenue receipts B. current receipts C. capital receipts D. capital profit
3	The revenue profit should be transferred to:	A. Balance sheet B. Trading account C. Profit and loss account D. None of these
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	Bad debts are	A. deferred expenditure B. revenue expenditure C. capital expenditure D. none of these
6	An error completely omitted to be entered in the journal	A. partial error B. error of posting C. error of casting D. complete error
7	A receipt is revenue in nature, if it relates to:	A. Balance sheet B. The receipt of accounting year C. Small amount D. Routine activity of the business
8	Error of posting effects:	A. One account B. Two accounts C. Three accounts D. Four accounts
9	The process of totaling the data at the end of the period is called	A. posting B. casting C. compensating D. recording
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	Acceptance to Mr. A was posted to the debit of B's account. The rectification of the entry will.	A. Increase the net profit B. Decrease the net profit C. Have double effect on net profit D. Have no effect on net profit
12	An expenditure incurred in increasing the efficiency of a fixed asset is called:	A. Revenue expenditure B. Capital expenditure C. Current expenditure D. None of these
13	Which one of the following is appeared in the balance sheet ?	A. revenue expenditure B. capital expenditure C. deferred revenue D. both b,c
14	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
15	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	A. Increase the net profit by, double amount B. Decrease the net profit

15	A credit sale was wrongly passed through purchases book, the rectification of the entry will:	C. Decrease the net profit by double amount D. Have no effect on the net profit
16	Raw material destroyed in fire represents	A. capital loss B. revenue loss C. normal loss D. both b, c
17	Receipts which are non-recurring by nature:	A. Capital receipts B. Revenue receipts C. Short term receipts D. Capital profit
18	Suspense means	A. certainty B. uncertainty C. surly D. none of these
19	Premium on issue of shares of a company represents	A. capital loss B. capital profit C. capital payment D. none of these
20	Any difference in trial balance is transferred to	A. sales account B. nominal account C. purchases account D. suspense account