

Principles of accounting Icom Part 1 English Medium Chapter 10 Online Test

Sr	Questions	Answers Choice
1	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
2	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
3	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
4	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
5	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
6	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
7	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
8	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
9	Bad debts recovered from debtors should be credited to	A. Debtors a/c B. Bad debts a/c C. Bad debts recovered a/c D. Cash a/c
10	The accounting system in which accounting entries are made on the basis of amount having become due for payment or receipt, is called	A. Cash system B. Accrual or mercantile system C. Outstanding system D. None of these
11	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
12	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
13	The accrued income or outstanding income will appear in the balance sheet as	A. An expense B. A liability C. An asset D. Both a & b
14	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
15	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these

16	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
17	The revenue that has not become due, but received in cash in current year is known as	A. Revenue received in advance B. Accrued revenue C. Unearned revenue D. Both a & c
18	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
19	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
20	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue