

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

Sr	Questions	Answers Choice
1	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
2	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
3	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
4	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
5	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
6	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
7	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
8	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
9	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
10	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
11	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
12	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
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	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
15	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these

16	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
17	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
18	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
19	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
20	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
21	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
22	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
23	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
24	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
25	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