

Principles of accounting Icom Part 1 English Medium Chapter 13 Online Test

Sr	Questions	Answers Choice
1	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
2	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
3	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
4	An expenditure, which is completely exhausted with in the current accounting period is known as	A. Deferred expenditure B. Revenue expenditure C. Future expenditure D. Non-recurring expenditure
5	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
6	An expenditure, which increases the utility or productive capacity of an asset is treated as	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. None of these
7	An expenditure, which is temporarily increase the profit making capacity of the business is called	A. Deferred expenditure B. Capital expenditure C. Revenue expenditure D. Non-recurring expenditure
8	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure
9	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction
10	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
11	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
12	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
13	All revenue expenditure are taken to	A. Trading a/c B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet
14	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure
15	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & b

16	Expenditure is revenue expenditure because	<p>A. It is intended to benefit the current period</p> <p>B. The amount involved is small</p> <p>C. It is deducted from the gross sale proceeds</p> <p>D. None of these</p>
17	A revenue expenditure, the benefit of which is not confined to one accounting year is called	<p>A. Non-current expenditure</p> <p>B. Revenue expenditure</p> <p>C. Future expenditure</p> <p>D. Deferred expenditure</p>
18	The amount invested by the owner in the business to produce revenue is known as	<p>A. Income</p> <p>B. Asset</p> <p>C. Capital</p> <p>D. Liability</p>
19	An expenditure, which is non-recurring and irregular is called	<p>A. Capital expenditure</p> <p>B. Revenue expenditure</p> <p>C. Short-term expenditure</p> <p>D. Current expenditure</p>
20	It is the price of goods sold or services provided by a business to its customers	<p>A. Asset</p> <p>B. Cost</p> <p>C. Capital</p> <p>D. Revenue</p>