

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

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Sr	Questions	Answers Choice
1	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure     B. Revenue expenditure     C. Short-term expenditure     D. Current expenditure
2	Wages paid for the construction of building is an example of	A. Revenue expenditure     B. Capital expenditure     C. Recurring expenditure     D. Short-term expenditure
3	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
4	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
5	Expenditure is revenue expenditure because	A. It is intended to benefit the current period B. The amount involved is small C. It is deducted from the gross sale proceeds D. None of these
6	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
7	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
8	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure     B. Deferred expenditure     C. Revenue expenditure     D. Capital loss
9	Cost of redecorating a cinema hall is a	A. Capital expenditure     B. Capital loss     C. Revenue expenditure     D. None of these
10	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
11	A revenue expenditure, the benefit of which is not confined to one accounting year is called	A. Non-current expenditure     B. Revenue expenditure     C. Future expenditure     D. Deferred expenditure
12	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & D. Both
13	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & D. Bot
14	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
15	An expenditure, incurred to improve the position of the business is known as	A. Deferred expenditure     B. Revenue expenditure     C. Capital expenditure

		D. Recurring expenditure
16	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
17	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
18	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
19	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
20	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure