

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

Sr	Questions	Answers Choice
1	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 & b
2	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
3	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
4	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
5	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
6	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
7	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
8	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
9	Wages paid for the construction of building is an example of	A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure
10	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure
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	The amount invested by the owner in the business to produce revenue is known as	A. Income B. Asset C. Capital D. Liability
13	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
14	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

15	Bad debts are	A. Deterred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
16	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
17	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
18	An expenditure, which is non-recurring and irregular is called	A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure
19	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
20	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