

Principles of accounting Icom Part 1 English Medium Chapter 3 Online Test

| Sr | Questions | Answers Choice |
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| 1 | How many parties are involved in case of Discounting of a bill ? | A. Two B. Three C. Four D. None of these |
| 2 | A bill of exchange is a method of payment on | A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis |
| 3 | A bill which is both drawn and payable within the geographical boundaries of a country | A. Foreign Bill B. Local Bill C. Municipal Bill D. Inland Bill |
| 4 | The Legal tenor of a bill is | A. Sixty Days B. One Month C. Eighty Days D. Ninety Days |
| 5 | When a Bill is dishonoured, the holder of the bill goes to an official called | A. Inspector B. Notary Public C. Drawer D. Manager |
| 6 | Real accounts are related to: | A. Assets B. Expenses, & losses and incomes C. Customers, & creditors D. Incomes |
| 7 | A bank reconciliation statement is prepared by: | A. banker B. Accountant of the business C. Statutory auditors D. Rigistar |
| 8 | Nominal account are related to: | A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account |
| 9 | When a drawee honours his acceptance, he will credit | A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account |
| 10 | The concept of conservation will have the effect of: | A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above |
| 11 | Subsidiary books are called the book of: | A. Original entry B. Secondary entry C. Temporary entry D. Basic entry |
| 12 | Any activity undertaken for the purpose of earning profit is called: | A. Performance B. Dealing C. Business D. Duties |
| 13 | A Journal is generally kept on: | A. A columnar basis B. A row basis C. A single line basis D. Vertical basis |
| 14 | The transaction for which non separate book is maintained are recorded in: | A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book |
| 15 | A bill from the point of view of a debtor is called | A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of the above |

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| | | D. None of these |
| 16 | When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called | A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill |
| 17 | Interest on renewal of a bill is the expense of | A. Drawer B. Drawee C. Holder D. Endorsee |
| 18 | Bank for collection is a | A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account |
| 19 | When bank column of a cash book shows a credit balance, it means: | A. Cash balance B. Bank balance C. Under draft D. Over draft |
| 20 | All those expenses which are incurred to convert raw-materials into finished goods are called: | A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses |