

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

Sr	Questions	Answers Choice
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. Bill of Exchange

		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