

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

Sr	Questions	Answers Choice
1	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
2	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c D. None of these
3	A man buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
4	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
5	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days
6	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
7	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
8	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
9	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary 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	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
12	Retiring a bill under rebate means	A. Payment of Bill Before Due Date B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill
13	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
14	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
15	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

16	The transaction for which non separate book is maintained are recorded in:	<b>A. Journal proper</b> B. Bills receivable book C. Bills payable book D. Cash book
17	The time after which the bill is to be paid	A. Grace Days <b>B. Tenor</b> C. Due Date D. Extra Days
18	Any activity undertaken for the purpose of earning profit is called:	<b>A. Performance</b> B. Dealing C. Business D. Duties
19	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 <b>C. Dishonoured Bill</b> D. Endorsed Bill
20	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor <b>D. Endorsee</b>