

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

Sr	Questions	Answers Choice
1	When a bill is transferred by the drawer to his creditor, for settlement of his debts, it is called	A. Retirement of Bill B. Endorsement of a Bill C. Discounting of a Bill D. Settlement of a Bill
2	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
3	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
4	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
5	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
6	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days
7	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
8	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
9	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
10	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
11	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
12	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
13	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
14	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
15	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account

16	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
17	Real accounts are related to:	A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes
18	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
19	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
20	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above