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

Sr	Questions	Answers Choice
1	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
2	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
3	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
4	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
5	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
6	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
7	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
8	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
9	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
10	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
11	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
12	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
13	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
14	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
15	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager

16	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
17	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
18	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
19	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
20	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days