

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

C _r	Questions	Answers Choice
Sr	Questions	
1	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
2	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
3	A many 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	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
5	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
6	Real accounts are related to:	A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes
7	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
8	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
9	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
10	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
11	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
12	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
13	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
14	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
15	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business

		D. Duties
6	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
7	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
8	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
9	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
0	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis