

Principles of Accounting Icom Part 2 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	Depreciation is	A. An Income B. An expense C. A loss D. A liability
2	Under the diminishing balance method the depreciation is calculated on .	A. Book value B. Original value C. Residual value D. None of these
3	the term depreciation is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
4	Under the straight line method of charging depreciation, the amount of depreciation .	A. Decrease every year B. Increase every year C. <div>Remain constant every year</div> D. None of the above
5	Under annuity method the amount of depreciation is.	A. Increasing every year B. Decreasing every year C. Fixed for all the year D. None of these
6	Which of the following method is suitable for charging depreciation on machinery and furniture.	A. Straight line method B. Diminishing balance method C. Depreciation on fixed method D. Annuity method
7	The term Depletion is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
8	The amount of assets may rise or fall on account of.	A. Depreciation B. Fluctuation C. Depletion D. Amortization
9	The assets which have physical existence are called.	A. Intangible assets B. Intangible fixed assets C. Tangible fixed assets D. Both tangible or intangible assets
10	The amount charged as depreciation goes on declining in	A. Depletion fund method B. Annuity method C. Diminishing balance method D. Straight line method
11	Another name of diminishing balance method of depreciation is the	A. Reducing balance method B. Sinking fund method C. Straight line method D. Revaluation method
12	Depreciation arises because of	A. Due to fall in the market value of fixed assets B. Due to physical wear and tear of the assets C. Due to fall in the market value D. None of these
13	Depreciation is charged on.	A. Fixed tangible assets only B. Fixed intangible assets only C. Current assets only D. None of these
14	To make provision for the replacement of the assets, the method to be used is.	A. Written down value method B. Annuity method C. Sinking fund method D. Insurance policy method
		A. Intangible assets

15	The assets which have not got physical existence are called.	<p>B. Intangible fixed assets</p> <p>C. Current assets</p> <p>D. Tangible fixed assets</p>
16	Depreciation is charged at fixex rate on the reducing balance, under the.	<p>A. Written - down value method</p> <p>B. Annuity method</p> <p>C. Sinking fund method</p> <p>D. Depletion method</p>
17	The gradual decrease in the value of the fixex assets due to its use in the business is called.	<p>A. Depreciation</p> <p>B. Depletion</p> <p>C. Amorization</p> <p>D. Fluctuation</p>
18	The value of an asset at the end of the working life is called.	<p>A. Book value</p> <p>B. Scrape value</p> <p>C. Market value</p> <p>D. None of these</p>
19	The objective of charging depreciation on fixed assets is.	<p>A. Calculate the true net profit</p> <p>B. To provide funds for the replacement</p> <p>C. To redue the tax liability</p> <p>D. All of the above</p>
20	The method is specially suited to natural surces is said to be	<p>A. Annuity method</p> <p>B. Depletion method</p> <p>C. Revaluation method</p> <p>D. Sum of digit method</p>