

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

Sr	Questions	Answers Choice
1	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
2	Depreciation under diminishing balance method on the cost price of the fixed asset of Rs. 50,000 after two years @10% will be	A. RS. 5,000 B. Rs. 4050 C. Rs.4500 D. Rs. 40,000
3	The assets which have not got physical existence are called.	A. Intangible assets B. Intangible fixed assets C. Current assets D. Tangible fixed assets
4	The amount charged to depreciation goes on declining in.	A. Diminishing balance method B. Fixed instalment method C. Annuity method D. Depreciation fund method
5	To make provision for the replacement of the assets. the method is to be used is.	A. Written down value method B. Annuity method C. Sinking fund method D. Insurance policy method
6	Depreciation is charged on.	A. Fixed tangible assets only B. Fixed intangible assets only C. Current assets only D. None of these
7	Under diminishing balance method, depreciation is calculated on.	A. The original cost B. The scrap value C. Book value D. All of the above
8	The method is specially suited to natural sources is said to be	A. Annuity method B. Depletion method C. Revaluation method D. Sum of digit method
9	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
10	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
11	Depreciation is	A. An Income B. An expense C. A loss D. A liability
12	The depreciation charged to motor car account will be debited to.	A. Depreciation account B. Motor car account C. Cash account D. None of these
13	The amount of assets may rise or fall on account of.	A. Depreciation B. Fluctuation C. Depletion D. Amortization
14	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
15	The term Depletion is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets

D. Fixex assets

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16 The process of writing off intangible assets patent right, good will etc is called.

A. Depreciation  
B. Fluctuation  
C. Amorization  
D. depletion

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17 Depreciation arises because of

A. Due to fall in the market value of fixex assets  
B. Due to physical wear and tear of the assets  
C. Due to fall in the market value  
D. None of these

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18 Interest is debited to assets account under the.

A. Annuity method  
B. Depreciation fund method  
C. Insurance policy method  
D. Depletion method

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19 Under annuity method, the annual charge for depreciation will be debited to.

A. Assets account  
B. Depreciation account  
C. Interest account  
D. None of these

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20 Depreciation fund method is also known as.

A. Sinking fund method  
B. Annuity method  
C. Sum- of year's digit method  
D. None of these

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