

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

Sr	Questions	Answers Choice
1	The value of an asset at the end of the working life is called.	A. Book value B. Scrape value C. Market value D. None of these
2	The amount charged as depreciation goes on declining in	A. Depletion fund method B. Annuity method C. Diminishing balance method D. Straight line method
3	the term depreciation is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
4	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
5	Depreciation is charged on.	A. Fixed tangible assets only B. Fixex intangible assets only C. Current assets only D. None of these
6	Interest is debited to assets account under the.	A. Annuity method B. Depreciation fund method C. Insurance policy method D. Depletion method
7	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
8	The assets which have not got physical existence are called.	A. Intangible assets B. Intangible fixed assets C. Current assets D. Tangible fixed assets
9	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
10	Under diminishing balance method, depreciation is calculated on.	A. The original cost B. The scrape value C. Book value D. All of the above
11	The objective of charging depreciation on fixed assets is.	A. Calculate the true net profit B. To provide funds for the replacement C. To reduce the tax liability D. All of the above
12	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
13	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
14	The amount charged to depreciation goes on declining in.	A. Diminishing balance method B. Fixex instalment method C. Annuity method D. Depreciation fund method

15	The term Depletion is used with reference to.	B. Intangible assets C. Current assets D. Fixex assets
16	Another name of diminishing balance method of depreciation is the	A. Reducing balance method B. Sinking fund method C. Straight line mehod D. Revaluation method
17	Under which method the book value of the fixed assets acn be reduce to zero after certain year	A. Diminishing balance method B. Straght line method C. Depreciation find fond D. Deflation method
18	The gradual decrease in the value of the fixex assets due to its use in the business is called.	A. Depreciation B. Depletion C. Amorization D. Fluctuation
19	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
20	Depreciation caused by some external amoutn of anual depreciation gradully.	A. Increase B. Decrease C. Remain constant D. None of these