

Principles of accounting Icom Part 1 English Medium Chapter 10 Online Test

Sr	Questions	Answers Choice
1	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these
2	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
3	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
4	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
5	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
6	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c
7	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
8	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
9	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prepaid revenue C. Outstanding expenses D. Advance expenses
10	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
11	The accounting system in which accounting entries are made on the basis of amount having become due for payment or receipt, is called	A. Cash system B. Accrual or mercantile system C. Outstanding system D. None of these
12	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
13	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
14	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
15	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability

16 Interest on drawings is

A. An asset
B. A liability
C. An expense
D. A revenue

17 The accrued income or outstanding income will appear in the balance sheet as

A. An expense
B. A liability
C. An asset
D. Both a & b

18 The debts, the recovery or realization of which is uncertain are known as

A. Bad bets
B. Doubtful debts
C. Provision for doubtful debts
D. Loan

19 The amount becomes due from the customers is called

A. Allowance
B. Loan
C. Debts
D. Doubtful debts

20 Outstanding expense given in adjustment is called

A. An asset
B. A gain
C. An expense
D. A liability
