

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	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
4	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
5	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
6	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
7	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
8	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
9	The revenue that has not become due, but received in cash in current year is known as	A. Revenue received in advance B. Accrued revenue C. Unearned revenue D. Both a & c
10	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
11	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
12	Bad debts recovered from debtors should be credited to	A. Debtors a/c B. Bad debts a/c C. Bad debts recovered a/c D. Cash a/c
13	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
14	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
15	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability

16	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
17	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
18	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
19	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
20	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c