

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

Sr	Questions	Answers Choice
1	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
2	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
3	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
4	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
5	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
6	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
7	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
8	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
9	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
10	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
11	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
12	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
13	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
14	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
15	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

16	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
17	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
18	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
19	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
20	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