

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

Sr	Questions	Answers Choice
1	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
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	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
4	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
5	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
6	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
7	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
8	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
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	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
11	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
12	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
13	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
14	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
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	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
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	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
19	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
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