

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

Sr	Questions	Answers Choice
1	The amount becomes due from the customers is called	A. Allowance B. Loan <b>C. Debts</b> D. Doubtful debts
2	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets <b>B. Doubtful debts</b> C. Provision for doubtful debts D. Loan
3	Bad debts are business	<b>A. Expenses</b> B. Liabilities C. Assets D. Revenue
4	An income which has earned but not received is called	A. Unearned income <b>B. Accrued revenue</b> C. Revenue received in advance D. None of these
5	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses <b>C. Prepaid expenses</b> D. Payable expenses
6	Net profit is always	A. Equal to gross profit B. More than gross profit <b>C. Less than gross profit</b> D. None of these
7	Deprecation is	A. A Liability B. A loss <b>C. An expense</b> D. Both b & c
8	Patent is an example of	<b>A. Assets</b> B. Liabilities C. Income D. Expense
9	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
10	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c <b>C. Machinery a/c</b> D. None of these
11	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts <b>C. Bad debts</b> D. Good debts
12	From business point of view, Interest on capital is considered as	A. An income <b>B. An expense</b> C. A profit D. A liability
13	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 <b>D. Both a &amp; c</b>
14	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense <b>D. A liability</b>
15	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>B. Accrual or mercantile system</b> C. Outstanding system D. None of these

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16 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

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17 Interest due but not received is an

A. Outstanding expense  
B. Accrued income  
C. Prepaid expense  
D. Unearned income

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18 Income tax paid is a

A. Business expense  
B. Revenue for business  
C. Liability of business  
D. Personal expense

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19 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

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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

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