

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

| Sr | Questions | Answers Choice |
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| 1 | The amount becomes due from the customers is called | A. Allowance B. Loan C. Debts D. Doubtful debts |
| 2 | 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 |
| 3 | Bad debts are business | A. Expenses B. Liabilities C. Assets D. Revenue |
| 4 | 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 |
| 5 | 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 |
| 6 | Net profit is always | A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these |
| 7 | Deprecation is | A. A Liability B. A loss C. An expense D. Both b & c |
| 8 | Patent is an example of | A. Assets 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 C. Machinery a/c D. None of these |
| 11 | The debts, which are irrecoverable from the debtors, are called | A. Debts B. Doubtful debts C. Bad debts D. Good debts |
| 12 | From business point of view, Interest on capital is considered as | A. An income B. An expense 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 D. Both a & c |
| 14 | Outstanding expense given in adjustment is called | A. An asset B. A gain C. An expense D. A liability |
| 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. Accrual or mercantile system 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 |
| 17 | Interest due but not received is an | A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income |
| 18 | Income tax paid is a | A. Business expense B. Revenue for business C. Liability of business D. Personal expense |
| 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 |
| 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 |