

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

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Sr	Questions	Answers Choice
1	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
2	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
3	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
4	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
5	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 & D. Both a & A. C.
6	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
7	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
8	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
9	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
10	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
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	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
13	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
14	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & D.
15	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income

16	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
17	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
18	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
19	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
20	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these