

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

Sr	Questions	Answers Choice
1	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
2	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
3	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
4	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
5	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
6	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
7	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
8	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
9	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
10	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
11	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
12	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
13	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
14	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
15	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

16	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
17	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
18	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
19	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
20	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these