

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

Sr	Questions	Answers Choice
1	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
2	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
3	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
4	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
5	The accrued income or outstanding income will appear in the balance sheet as	A. An expense B. A liability C. An asset D. Both a & b
6	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
7	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
8	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
9	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
10	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
11	Depreciation is	A. A Liability B. A loss C. An expense D. Both b & c
12	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
13	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
14	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
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	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	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
18	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
19	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
20	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