

## Principles of accounting Icom Part 1 English Medium Chapter 13 Online Test

Sr	Questions	Answers Choice
1	Transaction, having short-term effects are known as	A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction
2	Wages paid for the construction of building is an example of	A. Revenue expenditure     B. Capital expenditure     C. Recurring expenditure     D. Short-term expenditure
3	Capitalized expenditure are shown in	A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet
4	An expenditure, which is temporarily increase the profit making capacity of the business is called	A. Deferred expenditure     B. Capital expenditure     C. Revenue expenditure     D. Non-recurring expenditure
5	Distinction between capital and revenue items is important for the preparation	A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & D. Bot
6	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
7	The transactions, the effect of which is not exhausted with in the current accounting year are called	A. Revenue transaction     B. Capital transaction     C. Current transaction     D. Monetary transaction
8	Expenditure is a capital expenditure because	A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure
9	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & D. Both
10	It is the price of goods sold or services provided by a business to its customers	A. Asset B. Cost C. Capital D. Revenue
11	All revenue expenditure are taken to	A. Trading a/c B. Trading & D. Samp; profit or Loss a/c C. Profit or loss a/c D. Balance sheet
12	An expenditure, which increases the utility or productive capacity of an asset is treated as	A. Revenue expenditure     B. Capital expenditure     C. Deferred expenditure     D. None of these
13	Cost of redecorating a cinema hall is a	A. Capital expenditure     B. Capital loss     C. Revenue expenditure     D. None of these
14	A revenue expenditure, the benefit of which is not confined to one accounting year is called	A. Non-current expenditure     B. Revenue expenditure     C. Future expenditure     D. Deferred expenditure
15	An expenditure, which is completely exhausted with in the current accounting period is known as	A. Deferred expenditure B. Revenue expenditure C. Future expenditure

		D. Non-recurring expenditure
16	Depreciation of fixed assets used in the business is an example of	A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these
17	Heavy expenditure on advertisement for making a new product is a	A. Revenue expenditure     B. Deferred expenditure     C. Capital loss     D. Non-recurring expenditure
18	Preliminary expenses paid in the formation of a company is a	A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss
19	An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called	A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure
20	Which one of the following is appeared in the balance sheet	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. Both b & D. Both