

## Principles of accounting Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
2	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
3	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
4	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
5	All those expenses which are incurred to convert raw-materials into finished goods are called:	A. Direct expenses B. Indirect expenses C. Administrative expenses D. Sales expenses
6	The transaction for which non separate book is maintained are recorded in:	A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book
7	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
8	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
9	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
10	The concept of conservation will have the effect of:	A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above
11	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
12	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
13	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction  B. Cash transaction C. Credit transaction D. None of the above
14	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
15	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee

16	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill
		B. Discounting of a Bill C. Endorsement of a Bill
		D. Retiring of a Bill
17	The time after which the bill is to be paid	A. Grace Days
		B. Tenor C. Due Date
		D. Extra Days
		D. Lina Bayo
	Any activity undertaken for the purpose of earning profit is called:	A. Performance
8		B. Dealing C. Business
		D. Duties
19	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c
		B. Bad Debts a/c
		C. Solvency a/c D. None of these
		D. None of these
	Interest on renewal of a bill is the expense of	A. Drawer
20		B. Drawee
20		C. Holder
		D. Endorsee