

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

Sr	Questions	Answers Choice
1	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
2	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
3	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
4	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
5	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
6	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
7	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
8	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
9	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
10	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days
11	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
12	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
13	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
14	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
15	Retiring a bill under rebate means	A. Payment of Bill Before Due Date B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill

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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. <b>Retiring of a Bill</b>
17	A bill of exchange is a / an	A. Promise B. <b>Unconditional Order</b> C. Request D. Conditional Order
18	Interest on renewal of a bill is the expense of	A. Drawer B. <b>Drawee</b> C. Holder D. Endorsee
19	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. <b>Rs.10,000</b> B. Rs.20,000 C. Rs.30,000 D. Rs. 40,000
20	A bill which is both drawn and payable within the geographical boundaries of a country	A. Foreign Bill B. Local Bill C. Municipal Bill D. <b>Inland Bill</b>

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