

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

Sr	Questions	Answers Choice
1	At the time of drawing a bill the drawer credits:	<p>A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account</p>
2	When bank column of a cash book shows a credit balance, it means:	<p>A. Cash balance B. Bank balance C. Under draft D. Over draft</p>
3	Subsidiary books are called the book of:	<p>A. Original entry B. Secondary entry C. Temporary entry D. Basic entry</p>
4	The concept of conservation will have the effect of:	<p>A. Understatement of assets B. Under statement of liabilities C. Overstatement of assets D. None of the above</p>
5	Retiring a bill under rebate means	<p>A. Payment of Bill Before Due Date B. Payment of Bill After due date C. Discounting of a Bill D. Dishonouring of a Bill</p>
6	When a Bill is dishonoured, the holder of the bill goes to an official called	<p>A. Inspector B. Notary Public C. Drawer D. Manager</p>
7	Real accounts are related to:	<p>A. Assets B. Expenses, &nbsp;losses and incomes C. Customers, &nbsp;creditors D. Incomes</p>
8	A bill of exchange is a / an	<p>A. Promise B. Unconditional Order C. Request D. Conditional Order</p>
9	Bank for collection is a	<p>A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account</p>
10	Which cash is paid or received in an exchange the transaction is called:	<p>A. Sale transaction&nbsp; B. Cash transaction C. Credit transaction D. None of the above</p>
11	Any activity undertaken for the purpose of earning profit is called:	<p>A. Performance B. Dealing C. Business D. Duties</p>
12	When a drawer discounts a bill, he debits	<p>A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account</p>
13	Nominal account are related to:	<p>A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account</p>
14	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	<p>A. Rs.10,000 B. Rs.20,000 C. Rs,30,000 D. Rs. 40,000</p>
15	When a drawee honours his acceptance, he will credit	<p>A. Capital Account B. Drawer Account C. Bill Payable Account D. Bill Receivable Account</p>

D. Cash Account

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- 16 A Journal is generally kept on:
- A. A columnar basis
 - B. A row basis
 - C. A single line basis
 - D. Vertical basis
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- 17 Narration is always written:
- A. Above each entry
 - B. Below each entry
 - C. Between of each entry
 - D. None of these
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- 18 How many parties are involved in case of Discounting of a bill ?
- A. Two
 - B. Three
 - C. Four
 - D. None of these
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- 19 When a bill is discharged the acceptor debits:
- A. Creditors account
 - B. Cash account
 - C. Bill payable account
 - D. Bill receivable account
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- 20 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
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