

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

0	Overtine	Assessment Objective
Sr	Questions	Answers Choice
1	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
2	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
3	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
4	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
5	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
6	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
7	How many parties are involved in case of Discounting of a bill?	A. Two B. Three C. Four D. None of these
8	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
9	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
10	When a bill is transferred by the drawer to his creditor, for settlement of his debts, it is called	A. Retirement of Bill B. Endorsement of a Bill C. Discounting of a Bill D. Settlement of a Bill
11	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
12	Accommodation bills are drawn accepted and endorsed	A. Without any Consideration B. for some Consideration C. for Quarter Consideration D. none of the above
13	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
14	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
15	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

16	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
17	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
18	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
19	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
20	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