

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

Sr	Questions	Answers Choice
1	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
2	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
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 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
5	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
6	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs,30,000 D. Rs. 40,000
7	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days
8	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. Inland Bill
9	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
10	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
11	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
12	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
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	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
15	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee

16	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
17	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
18	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
19	Nominal account are related to:	A. Assets and liabilities B. Expenses, losses and incomes C. Customers, creditors etc D. Capital account
20	How many parties are involved in case of Discounting of a bill?	A. Two B. Three C. Four D. None of these