

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	When a Bill is dishonoured, the holder of the bill goes to an official called	A. Inspector B. Notary Public C. Drawer D. Manager
3	Real accounts are related to:	A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes
4	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
5	A Journal is generally kept on:	A. A columnar basis B. A row basis C. A single line basis D. Vertical basis
6	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
7	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
8	When 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
9	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request D. Conditional Order
10	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
11	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
12	When a drawee honours his acceptance, he will credit	A. Capital Account B. Drawer Account C. Bill Payable Account D. Cash Account
13	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
14	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Rigistar
15	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

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
18	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
19	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
20	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee