

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

Sr	Questions	Answers Choice
1	The person to whom bill is transferred will become	A. Endorser B. Creditor C. Debtor D. Endorsee
2	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
3	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
4	A bank reconciliation statement is prepared by:	A. banker B. Accountant of the business C. Statutory auditors D. Registrar
5	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
6	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
7	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
8	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
9	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
10	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
11	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
12	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
13	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
14	Subsidiary books are called the book of:	A. Original entry B. Secondary entry C. Temporary entry D. Basic entry
15	The transaction for which non separate book is maintained are recorded in:	A. Journal proper B. Bills receivable book C. Bills payable book D. Cash book

---

16	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
17	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
18	A bill of exchange is a method of payment on	A. Cash Basis B. Credit Basis C. Reserve Basis D. Accommodation Basis
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	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days

---