

## Principles of Accounting Icom Part 2 English Medium Chapter 9 Online Test

Sr	Questions	Answers Choice
1	The depreciation charged to motor car account will be debited to.	A. Depreciation account B. Motor car account C. Cash account D. None of these
2	The method is specially suited to natural surces is said to be	A. Annuity method B. Depletion method C. Revaluation method D. Sum of digit method
3	Under annuity method the amount of depreciation is.	A. Increasing every year B. Decreasing every year C. Fixed for all the year D. None of these
4	Interest is debited to assets account under the.	A. Annuity method B. Depreciation fund method C. Insurance policy method D. Depletion method
5	To make provision for the replacement of the assets. the method is to be used is.	A. Written down value method B. Annuity method C. Sinking fund method D. Insurance policy method
6	Under the straight line method of charging depreciation, the amount of depreciation .	A. Decrease every year B. Increase every year C. Remain constant every year D. None of the above
7	The amount of assets may rise or fall on account of.	A. Depreciation B. Fluctuation C. Depletion D. Amortization
8	Depreciation is charged on.	A. Fixed tangible assets only B. Fixed intangible assets only C. Current assets only D. None of these
9	the term depreciation is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
10	Under the diminishing balance method the depreciation is calculated on .	A. Book value B. Original value C. Residual value D. None of these
11	Depreciation caused by some external amount of annual depreciation gradually.	A. Increase B. Decrease C. Remain constant D. None of these
12	Under which method the book value of the fixed assets can be reduced to zero after certain year	A. Diminishing balance method B. Straight line method C. Depreciation fund method D. Deflation method
13	Under diminishing balance method, depreciation is calculated on.	A. The original cost B. The scrap value C. Book value D. All of the above
14	Which of the following term is used for the depreciation of wasting assets such as timber tree, mines, oil wells etc.	A. Depreciation B. Depletion C. Amortization D. None of these
15	Which of the following method is suitable for charging depreciation on machinery and furniture.	A. Straight line method B. Diminishing balance method C. Depreciation on fixed method

		D. Annuity method
16	Under annuity method, the annual charger for depreciation will be debited to.	A. Assets account B. Depreciation account C. Interest account D. None of these
17	The objective of charging depreciation on fixed assets is.	A. Calculate the true net profit B. To provide funds for the replacement C. To reduce the tax liability D. All of the above
18	The process of writing of intangible assets patent right, good will etc is called.	A. Depreciation B. Fluctuation C. Amortization D. depletion
19	Depreciation arise because of	A. Due to fall in the market value of fixex assets B. Due to physical wear and tear of the assets C. Due to fall in the market value D. None of these
20	The term Depletion is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixex assets