

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

Sr	Questions	Answers Choice
1	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
2	The asses which have physical existence are called.	A. Intangible assets B. Intangible fixed assets C. Tangible fixed assets D. Both tangible or intangible assets
3	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
4	Depreciation fund method is also known as.	A. Sinking fund method B. Annuity method C. Sum- of year's digit method D. None of these
5	To make provision for the replacement of the assets. the method is to be ysed is.	A. Written down value method B. Annuity method C. Sinking fund method D. Insurance policy method
6	Which of the following method is suitable for charging depreciation an machinery and furniture.	A. Straight line method B. Diminishing balance method C. Depreciation on fixed method D. Annuity method
7	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
8	Under the diminishing balance method the depreciationis calculated on .	A. Book value B. Original value C. Residual value D. None of these
9	Another name of diminishing balance method of depreciation is the	A. Reducing balance method B. Sinking fund method C. Straight line method D. Revaluation method
10	The amount charged as depreciation goes on declining in	A. Depletion fund method B. Auunity method C. Diminishing balance method D. Straight line method
11	Depreciation caused by some external amoun of anual depreciation gradully.	A. Increase B. Decrease C. Remain constant D. None of these
12	Interest is debited to assets account uder the.	A. Annuity method B. Depreciation fund method C. Insurance policy method D. Depletion method
13	Depreciation is charged on.	A. Fixed tangible assets only B. Fixex intangible assets only C. Current assets only D. None of these
14	Depreciation is	A. An Income B. An expense C. A loss D. A liability
15	The assets which have not got physical existence are called.	A. Intangible assets B. Intangible fixed assets C. Current assets D. Tangible fixed assets

D. Tangible fixed assets

16	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
17	The method is specially suited to natural resources is said to be	A. Annuity method B. Depletion method C. Revaluation method D. Sum of digit method
18	Under diminishing balance method, depreciation is calculated on.	A. The original cost B. The scrap value C. Book value D. All of the above
19	Depreciation under diminishing balance method on the cost price of the fixed asset of Rs. 50,000 after two years @10% will be	A. Rs. 5,000 B. Rs. 4,050 C. Rs. 4,500 D. Rs. 40,000
20	Under which method the book value of the fixed assets can be reduced to zero after certain years	A. Diminishing balance method B. Straight line method C. Depreciation fund method D. Deflation method