

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

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Sr	Questions	Answers Choice
1	Depreciation is	A. An Income B. An expense C. A loss D. A liability
2	The process of writing of intengible assets patent right, good will etc is called.	A. Depreciation B. Fluctuaton C. Amorization D. depletion
3	the term depreciationis used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
4	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
5	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
6	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
7	Under which method the book value of the fixed assets acn be reduce to zero after certain year	A. Diminishing balance method B. Straght line method C. Depreciation find fond D. Deflation method
8	The amount charged as depreciation goes on declining in	A. Depletion fund method B. Auunity method C. Diminishing balance method D. Straiight line method
9	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
10	The value of an asset at the end of the working life is called.	A. Book value B. Scrape value C. Market value D. None of these
11	The objective of charging depreciation on fixed assets is.	A. Calculate the true net profit B. To provide funds for the replacement C. To redue the tax libility D. All of the above
12	Under the diminishing balance method the depreciationis calculated on .	A. Book value B. Original value C. Residual value D. None of these
13	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
14	The amount charged to depreciation goes on declining in.	A. Diminishing balance method B. Fixex instaliment method C. Annuity method D. Depreciation fund method
		A. Intangible assets

15	The assets which have not got physical existence are called.	B. Intangible fixed assets C. Current assets D. Tangible fixed assets
16	Depreciation is charged on.	A. Fixed tangible assets only B. Fixex intangible assets only C. Current assets only D. None of these
17	Interest is debited to assets account uder the.	A. Annuity method B. Depreciation fund method C. Insurance policy method D. Depletion method
18	Depreciation under diminishing balance method ont he cost price of the fixex asset of Rs. 50.000 after two year @10% will be	A. RS. 5,000 B. Rs. 4050 C. Rs.4500 D. Rs. 40,000
19	Another name of diminishing balance method of depreciation is the	A. Reducing balance method B. Sinking fund method C. Straight line mehod D. Revaluation method
20	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