

Principles of Accounting Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	Partner's capital are affected due to.	A. Admission of a partner B. Retirement of the partner C. Death of a partner D. All of the above
3	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. 4050 C. Rs.4500 D. Rs. 40,000
4	The profit on revaluation of assets and liabilities on the retirement of the partners should be credited to the capital account of.	A. All the partners B. Retiring partner C. Remaining partner D. None of these
5	Income and expenditure account is usually accompanied by.	A. Trial balance B. Balance sheet C. Income and gains D. Liabilities
6	Equity share holders are.	A. Creditors B. Owners C. Customers of the company D. Debtors of the company
7	The amount payable to the retiring partner is shown in the balance sheet of partnership as.	A. Capital B. Loan C. Investment D. Assets
8	Non-profit making organizations	A. Buy goods B. Manufacture goods C. Sell goods D. None of these
9	Both aspects of a transaction must be recorded in,	A. Single entry system B. Barter system C. Double entry system D. Islamic system
10	The documents which contains the rules and regulation for the internal management of the company is called.	A. Prospectus B. Articles of association C. Memorandum of association D. Notice
11	At the end of the year non trading institutions prepare.	A. Profit and loss account B. Income and expenditure account C. Manufacturing account D. None of the above
12	If the price required to be paid to the company for the share is more than nominal value of that share, it is called.	A. At discount B. At premium C. At par D. None of these
13	The losses arise in consignment transactions, such as loss of goods in transit, theft, goods damaged or destroyed by fire etc are.	A. Normal losses B. Additional loss C. Abnormal losses D. Both abnormal and normal loss
14	The term Depletion is used with reference to.	A. Tangible assets B. Intangible assets C. Current assets D. Fixed assets
15	Consignee is.	A. A principal B. An agent C. A debtor D. A creditor

		D. A creditor
16	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
17	Capital fun of non trading concern is equal to.	A. Assets + Income B. Assets + Liabilities C. Expenditure + Liabilities. D. Assets - Liabilities
18	It is prepared by non-profit making organizations to determine surplus or deficit	A. Trading account B. Profit and loss account C. Receipts and payments account D. Income and expenditure account
19	In the absence of an agreemetn, interest on loan advanced by the partner to the firm is allowd at the rate of.	A. 5 percent B. 6 percent C. 8 percent D. 9 percent
20	When the incoming partner pays the firm for good willin cash the amount should be debited to firms books to.	A. Good will accounts B. Cash Account C. Capital account of the incoming partner D. All of the above