

Principles of Accounting Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	Receipts and payments account shows	A. Debit and credit balances of ledgers B. Incomes and expenditures C. Cash receipts and payments D. Assets and liabilities
2	In the absence of an agreement, interest on loan advanced by the partner to the firm is allowed at the rate of.	A. 5 percent B. 6 percent C. 8 percent D. 9 percent
3	Under single entry system information relating to expenses must be ascertained from the analysis of.	A. Debtors account B. Creditors account C. Sales book D. Cash book
4	Reserve for bad and doubtful debts appearing in the books of accounts at the time of dissolution should be transferred to.	A. Realization account B. Revaluation account C. Debtors account D. None of these
5	If the credit side of the income and expenditure account is greater than it is termed as.	A. Deficit B. Surplus C. Asset D. Liability
6	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
7	The consignment inward book or journal is maintained by.	A. Consignor B. Consignee C. Customer D. Debtors
8	Non-profit making organizations are established for	A. Profit B. Charitable or religious purpose C. To manufacture goods D. To help the rich people
9	Income and expenditure account is prepared on.	A. Cash basis B. Accrual basis C. Basis of accrual basis D. None of these
10	A partner who takes an active part in the management of the firm is called.	A. Active partner B. Sleeping partner C. Nominal partner D. Quasi partner
11	Surplus balance can be shown in the balance sheet as.	A. Asset B. Liability C. Owner's equity D. None of these
12	If any partner takes the responsibility to pay the liabilities of the firm at the time of dissolution then it should be credited to.	A. Partner's capital account B. Realization account C. Liabilities accounts D. Cash accounts
13	Income and expenditure account is equivalent to the.	A. Receipt and payment account B. Balance sheet C. Cash book D. Profit and loss account
14	In consignee's books, the acceptance of a bill of exchange by consignee will be debited to.	A. Trading account B. Bill payable account C. Consignor account D. Consignment account
15	The amount of share capital with which a company is registered is called.	A. Authorized capital B. Issued capital C. Paid up capital D. Contingent capital

D. Called up capital

16	A paartner who have a major investment in the firm and receive a relatively more profit is called.	A. Sleeping partner B. Darment partner C. Senior partner D. Estoppels partner
17	Un recorded liability when paid on dissolution of the firmis debited to.	A. Realization account B. Liability account C. Partners capital account D. None of these
18	For the firm, interest on drawing is.	A. Expense B. Income C. Liability D. None of these
19	Under dimininh balance method, depreciationis calculated on.	A. The original cost B. The scrape value C. Book value D. All of the above
20	In case of banking business, the numerb of persons must not exceed.	A. Ten (10) B. Twenty (20) C. Twenty five(25) D. Fifty (50)