

Principles of Accounting Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	Income and expenditure account is prepared at the	A. Start of the year B. Mid of the year C. End of the year D. At the start and end of the year
2	In single entry system real accounts are not maintained so the preparation of,	A. Correctly B. Effectively C. Wrongly D. Approximately
3	The relationship between consignor and consignee is that of.	A. Buyer and seller B. Debtors and creditors C. Whole seller or retailer D. Principal and agent
4	General reserve at the time of dissolution is transferred to	A. All partners capital accounts B. Realization account C. Solvent partners capital account D. Insolvent partner's capital account
5	Bills payable issued during the period must be debited to total creditors account credited to.	A. Bills payable account B. Bills receivable account C. Debtors account D. Cash account
6	Current accounts of the partners should be opened when the capital are.	A. Fixed B. Fluctuating C. Either fixed or fluctuating D. None of these
7	The partnership may come to an end due to the	A. Death of a partner B. Insolvency of a partner C. Both of the above D. None of these
8	Abnormal loss arises due to.	A. Natural causes B. Evaporation, drying, breaking in bulk C. Pilferage, theft, fire etc. D. Some unavoidable causes
9	Consignment account is in the nature of.	A. Profit and loss account B. Real account C. Personal Account D. None of these
10	A receipts and payments account is similar to	A. An income and expenditure account B. A statement of affairs C. A cash or a bank account D. A profit or loss account
11	In case of banking business, the number of persons must not exceed.	A. Ten (10) B. Twenty (20) C. Twenty five (25) D. Fifty (50)
12	Which of the following term is used for the depreciation of wasting assets such as timber, trees, mines, oil wells etc.	A. Depreciation B. Depletion C. Amortization D. None of these
13	Unrecorded liability when paid on dissolution of the firm is debited to.	A. Realization account B. Liability account C. Partners capital account D. None of these
14	A new partner may be admitted to a partnership.	A. With the consent of all the partners B. With the consent of any one of the partners C. With consent of two thirds of the old partners D. Without the consent of old partners

15	The powers of company are governed by the.	A. Shareholders B. Memorandum of association C. Prospectus D. Articles of association
16	If the debit side of the receipt and payment account exceeds the credit side it represents.	A. Bank over draft B. Cash at bank C. Surplus balance D. Deficit balance
17	The shares of public limited company are.	A. Not refundable B. Not transferable C. Transferable D. No allotable
18	Value of the good will is calculated under capitalization formula.	A. Average profit / reasonable return x 100 B. Reasonable return / average profit x 100 C. Average profit x 100 / reasonable return D. None of these
19	In case of dissolution, assets sold for cash are debited to	A. Realization account B. Cash account C. Assets account D. None of these
20	Under the conversion method of single entry credit sales are ascertained by preparing the.	A. Total debtors account B. Total creditors account C. Total cash account D. Total bills receivable account