

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 12 Short Question Preparation



Ans 1: Money received on the sale of floating asset or goods is called revenue receipt such as Rs 20,000 received from sales of

goods.

Q9. What is meant by capital profit?

Ans 1: A profit made on the sale of fixed assets is called capital profit, For example machinery having books value of Rs 50000 is sold for Rs 60000 the profit of Rs 10000 will be capital profit.

Q10. Write two example of capital expenditure.

Ans 1: 1.Purchased machinery for cash Rs 50000. 2.Bought furniture for business Rs 100000.