

Principles of accounting Icom Part 1 English Medium Chapter 10 Online Test

Sr	Questions	Answers Choice
1	The system of accounting in which accounting entries are made only when cash received or paid is known as	A. Cash system B. Accrual system C. Mercantile system D. Single system
2	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
3	The accounting system in which accounting entries are made on the basis of amount having become due for payment or receipt, is called	A. Cash system B. Accrual or mercantile system C. Outstanding system D. None of these
4	All those expenses which have not become due but paid in advance are called	A. Accrued expenses B. Outstanding expenses C. Prepaid expenses D. Payable expenses
5	An income which has earned but not received is called	A. Unearned income B. Accrued revenue C. Revenue received in advance D. None of these
6	The revenue that has not become due, but received in cash in current year is known as	A. Revenue received in advance B. Accrued revenue C. Unearned revenue D. Both a & c
7	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
8	The accrued income or outstanding income will appear in the balance sheet as	A. An expense B. A liability C. An asset D. Both a & b
9	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
10	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Depreciation D. None of these
11	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
12	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
13	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
14	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
15	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these

16	Wages paid of installing a machine should be debited to	A. Wages a/c B. cash a/c C. Machinery a/c D. None of these
17	Net loss is always	A. Equal to gross loss B. More than gross loss C. Less than gross loss D. None of these
18	Income tax paid is a	A. Business expense B. Revenue for business C. Liability of business D. Personal expense
19	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense
20	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
21	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
22	Bad debts are business	A. Expenses B. Liabilities C. Assets D. Revenue
23	Bad debts recovered from debtors should be credited to	A. Debtors a/c B. Bad debts a/c C. Bad debts recovered a/c D. Cash a/c
24	The debts, the recovery or realization of which is uncertain are known as	A. Bad bets B. Doubtful debts C. Provision for doubtful debts D. Loan
25	Provision for the doubtful debts is debited to	A. Debtors a/c B. Provision for bad debts a/c C. Profit or loss a/c D. Bad debts recovered a/c