

Principles of accounting Icom Part 1 English Medium Chapter 13 Online Test

| Sr | Questions | Answers Choice |
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| 1 | The amount invested by the owner in the business to produce revenue is known as | A. Income B. Asset C. Capital D. Liability |
| 2 | It is the price of goods sold or services provided by a business to its customers | A. Asset B. Cost C. Capital D. Revenue |
| 3 | The transactions, the effect of which is not exhausted with in the current accounting year are called | A. Revenue transaction B. Capital transaction C. Current transaction D. Monetary transaction |
| 4 | Transaction, having short-term effects are known as | A. Revenue transaction B. Capital transaction C. Non-monetary transaction D. Paper transaction |
| 5 | An expenditure, which is non-recurring and irregular is called | A. Capital expenditure B. Revenue expenditure C. Short-term expenditure D. Current expenditure |
| 6 | An expenditure, which is incurred to increase to profit earning capacity of a business concern, is called | A. Deferred expenditure B. Current expenditure C. Capital expenditure D. Recurring expenditure |
| 7 | Wages paid for the construction of building is an example of | A. Revenue expenditure B. Capital expenditure C. Recurring expenditure D. Short-term expenditure |
| 8 | An expenditure, which is completely exhausted with in the current accounting period is known as | A. Deferred expenditure B. Revenue expenditure C. Future expenditure D. Non-recurring expenditure |
| 9 | An expenditure, which is temporarily increase the profit making capacity of the business is called | A. Deferred expenditure B. Capital expenditure C. Revenue expenditure D. Non-recurring expenditure |
| 10 | Expenditure is a capital expenditure because | A. The amount involved is heavy B. It is the personal expenditure of the owner out of his capital C. It is intended to benefit the future period D. It is a recurring expenditure |
| 11 | Expenditure is revenue expenditure because | A. It is intended to benefit the current period B. The amount involved is small C. It is deducted from the gross sale proceeds D. None of these |
| 12 | Expenditure, which helps to maintain the business efficiency is called | A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future expenditure |
| 13 | Which one of the following is appeared in the balance sheet | A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. Both b & c |
| 14 | Depreciation of fixed assets used in the business is an example of | A. capital expenditure B. Revenue expenditure C. Deferred expenditure D. None of these |

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| 15 | All revenue expenditure are taken to | A. Trading a/c B. Trading & profit or Loss a/c C. Profit or loss a/c D. Balance sheet |
| 16 | An expenditure, incurred to improve the position of the business is known as | A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. Recurring expenditure |
| 17 | Bad debts are | A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these |
| 18 | Octori duty paid on machinery, is an example of | A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & b |
| 19 | Cost of redecorating a cinema hall is a | A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these |
| 20 | A revenue expenditure, the benefit of which is not confined to one accounting year is called | A. Non-current expenditure B. Revenue expenditure C. Future expenditure D. Deferred expenditure |
| 21 | An expenditure, which increases the utility or productive capacity of an asset is treated as | A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. None of these |
| 22 | Heavy expenditure on advertisement for making a new product is a | A. Revenue expenditure B. Deferred expenditure C. Capital loss D. Non-recurring expenditure |
| 23 | Distinction between capital and revenue items is important for the preparation | A. Balance sheet B. Trading and profit or loss a/c C. Bank reconciliation statement D. Both a & b |
| 24 | Capitalized expenditure are shown in | A. Trading a/c B. Profit or loss a/c C. Income statement D. Balance sheet |
| 25 | Preliminary expenses paid in the formation of a company is a | A. Capital expenditure B. Deferred expenditure C. Revenue expenditure D. Capital loss |