

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
2	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
3	Deprecation is	A. A Liability B. A loss C. An expense D. Both b & c
4	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
5	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
6	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
7	A prepaid expense is	A. An asset B. A liability C. An expense D. An income
8	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
9	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
10	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
11	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
12	All those expenses which have become due but not paid are called	A. Accrued revenue B. Prapaid revenue C. Outstanding expenses D. Advance expenses
13	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
14	A balance sheet is a	A. Statement of income and expenditure B. Statement of debtors and creditors C. Financial statement of a business on a particular date D. Statement of profit earned by a busniess

- A. Trading account
 - B. Profit or loss account
 - C. Balance sheet
 - D. Sales account
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