

Principles of accounting Icom Part 1 English Medium Online Test

Sr	Questions	Answers Choice
1	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
2	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
3	Cost of redecorating a cinema hall is a	A. Capital expenditure B. Capital loss C. Revenue expenditure D. None of these
4	Octori duty paid on machinery, is an example of	A. Revenue expenditure B. Recurring expenditure C. Capital expenditure D. Both a & b
5	Bad debts are	A. Deferred expenditure B. Revenue expenditure C. Capital expenditure D. None of these
6	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
7	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
8	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
9	Which one of the following is appeared in the balance sheet	A. Revenue expenditure B. Capital expenditure C. Deferred expenditure D. Both b & c
10	Expenditure, which helps to maintain the business efficiency is called	A. Revenue expenditure B. Deferred expenditure C. Capital expenditure D. Future 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 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
13	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
14	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

- A. Revenue expenditure
 - B. Capital expenditure
 - C. Recurring expenditure
 - D. Short-term expenditure
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