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

Sr	Questions	Answers Choice
1	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
2	Net profit is always	A. Equal to gross profit B. More than gross profit C. Less than gross profit D. None of these
3	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
4	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
5	Interest due but not received is an	A. Outstanding expense B. Accrued income C. Prepaid expense D. Unearned income
6	Interest on drawings is	A. An asset B. A liability C. An expense D. A revenue
7	The debts, which are irrecoverable from the debtors, are called	A. Debts B. Doubtful debts C. Bad debts D. Good debts
8	A gradual decrease in the value of fixed assets is called	A. Reduction B. Revaluation C. Deprecation D. None of these
9	The amount becomes due from the customers is called	A. Allowance B. Loan C. Debts D. Doubtful debts
10	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
11	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
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	Outstanding expense given in adjustment is called	A. An asset B. A gain C. An expense D. A liability
14	From business point of view, Interest on capital is considered as	A. An income B. An expense C. A profit D. A liability
15	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

16	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
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	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
19	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
20	Patent is an example of	A. Assets B. Liabilities C. Income D. Expense