Principles of accounting Icom Part 1 English Medium Chapter 3 Online Test

Sr	Questions	Answers Choice
1	Which cash is paid or received in an exchange the transaction is called:	A. Sale transaction B. Cash transaction C. Credit transaction D. None of the above
2	Narration is always written:	A. Above each entry B. Below each entry C. Between of each entry D. None of these
3	A bill from the point of view of a debtor is called	A. Bill Acceptable B. Bill Receivable C. Bill Payable D. None of these
4	When a drawer discounts a bill, he debits	A. Bank Account B. Interest Account C. Drawee Account D. Bill Receivable Account
5	The time after which the bill is to be paid	A. Grace Days B. Tenor C. Due Date D. Extra Days
6	When a bill is discharged the acceptor debits:	A. Creditors account B. Cash account C. Bill payable account D. Bill receivable account
7	A many buy Rs. 40,000 worth good and sells them for Rs. 50,000. His gross profit is:	A. Rs.10,000 B. Rs.20,000 C. Rs,30,000 D. Rs. 40,000
8	Any activity undertaken for the purpose of earning profit is called:	A. Performance B. Dealing C. Business D. Duties
9	When is a drawee is declared insolvent which account is to be debited in the books of drawer	A. Deficiency a/c B. Bad Debts a/c C. Solvency a/c D. None of these
10	A bill of exchange is drawn by	A. Debtor B. Creditor C. Endorser D. Endorsee
11	Real accounts are related to:	A. Assets B. Expenses, losses and incomes C. Customers, creditors D. Incomes
12	When an acceptor refuses to pay the amount of bill to the holder on its maturity date it is called	A. Honoured Bill B. Retired Bill C. Dishonoured Bill D. Endorsed Bill
13	At the time of drawing a bill the drawer credits:	A. Debtors account B. Creditors account C. bill receivable account D. Suppliers account
14	Bank for collection is a	A. Permanent Account B. Fixed Account C. Current Account D. Temporary Account
15	A bill of exchange is a / an	A. Promise B. Unconditional Order C. Request

		D. Conditional Order
16	The act of withdrawing a bill of exchange from circulation when it had been paid before the due date	A. Renewal of a Bill B. Discounting of a Bill C. Endorsement of a Bill D. Retiring of a Bill
17	When bank column of a cash book shows a credit balance, it means:	A. Cash balance B. Bank balance C. Under draft D. Over draft
18	How many parties are involved in case of Discounting of a bill ?	A. Two B. Three C. Four D. None of these
19	Interest on renewal of a bill is the expense of	A. Drawer B. Drawee C. Holder D. Endorsee
20	The Legal tenor of a bill is	A. Sixty Days B. One Month C. Eighty Days D. Ninety Days