

ACCOUNTING

ACCOUNTING (SET A) 2011

1. The accounting principle that is applied to check arbitrary actions on the part of accountants is
(a) consistency (b) materiality (c) objectivity (d) realization
2. The loss of equipment in a fire disaster results in
(a) decrease in current asset (b) an increase in liabilities and assets
(c) a decrease in liabilities and a decrease in assets (d) none the above
3. A source document is used for verifying the
(a) amount due to creditors (b) actual cost of an asset (c) selling price of goods (d) amount due form debtors
4. The rule of accounting equation requires that account payable should be placed under
(a) liabilities (b) equities (c) assets (d) capital

Use the information below to answer question 5 and 6

Cash book

	N		N
Capital	6600	purchase	3,500
Sales	300	stationery	1300
Debtors	2,500	wages	2700

The owners wishes to maintain an amount equal to $\frac{1}{4}$ of capital drawings

5. The amount withdrawn is
(a) N2,100 (b) N2,200 (c) N4,400 (d) N6,400
6. The cash book closing balance will be
(a) N 900 (b) N2,400 (c) N4,200 (d) N4,600
7. A debit in the suspense account will appear in the balance sheet as
(a) current asset (b) current liability (c) capital (d) drawings
8. The recipient whose name appears on cheque is called a
(a) payer (b) drawer (c) drawee (d) payee
9. The imprest account is subsidiary to the
(a) ledger account (b) bank account (c) cash book (d) petty cash
10. The three-column cash book differs from the two column cash book in
(a) cash column (b) discount column (c) bank column (d) folio column .
11. Zakari started business in January 200. He bought a shop costing N54,000 and stock worth N7,600. Profit for the year amounted to N22,100. His closing capital was N73,800. Zakari's personal drawings amounted to
(a) N 2,300 (b) N9,900 (c) N17,100 (d) N19,500
12. The balance on the provision for depreciation account is
(a) added to fixed assets on the balance sheet (b) deducted from fixed assets on the balance sheet
(c) deducted from he profit and loss account (d) added to the current liabilities of the account.
13. Given: rates paid during the year amounted to N2,250 at N125 per month and N2,035 was paid for electricity in the same period an N115 per month. Determine the amount of prepaid rates
(a) N345 (b) N750 (c) N1,380 (d) N1,500.

Use the information below to answer questions 14 and 15

Date	receipt	issued (unit)
May 2	80 @#3.00	-
May 10	50 @#3.20	-
May 17	-	20
May 25	-	60
May 31	20 @ #2.90	-

14. What is the value of raw materials issued on may 17th based on the LIFO method?
(a) N60 (b) N 61 (c) N62 (d) N64
15. Based on the FIFO method of valuation, the total cost of raw material issued is

- (a) N150 (b) N160 (c) N240 (d) N250
16. Where closing stock is undervalued, the effect is
 (a) an increase in gross profit (b) a decrease in gross profit (c) an increase in purchases (d) a decrease in purchases

Use the information below to answer question 17 and 18

	N
Opening balance	10,640
Purchases	26,912
Returns inward	492
Returns outwards	810
Cash discount received	1,348
Cash discount allowed	1,560
Cash paid to suppliers	20,808

At the year-end the purchases ledger showed a debit balance of N108

17. The total on the debit side of the purchase control account will be:
 (a) N22,966 (b) N22,15 (c) N21,843 (d) N21,054
18. The balancing figure in the purchases ledger control account is
 (a) N15,828 (b) N15,720 (c) N14,940 (d) N14,694
19. In a sales ledger, contra entry is found on the
 (a) debit side of the debtors control account (b) debit side of the creditors control account
 (c) credit side of the debtors control account (d) credit side of the creditors control account
20. The beginning and ending accounts receivable balances were N20,000 and N30,000 respectively. The collection from customers during the period was N70,000. What was the total sale on account?
 (a) N20,000 (b) N60,000 (c) N80,000 (d) N120,000

21. Given: general expenses account

	N
Paid by cheque	671
Paid by cash	70
Accrued b/f	65
Accrued c/f	115

Determine how much to be charged profit and loss account

- (a) N606 (b) N786 (c) N791 (d) N856
22. In converting single entry to final account, the balance figures on the income expenses account are transferred to the
 (a) revenue and expenditure account (b) receipt and payment account
 (c) profit and loss appropriation account (d) profit and loss account.

Use the information below to answer question 23 and 24

Beginning inventory	?
Purchases	?
Ending inventory	4,800
Sales	12,800
Wages	1,040
Gross profit	5,900

The beginning inventory was estimated at 80% of sales

23. Determine the amount for the beginning inventory
 (a) N20,140 (b) N10,240 (c) N8,140 (d) N7240.
24. What is the figure for purchase?
 (a) N2,400 (b) N,500 (c) N,4200 (d) N5,200.
25. Cost classification in relation to charge is determined by the level of
 (a) raw materials (b) labour (c) activity (d) profitability

ANSWERS ACCOUNTING 2011

- 1. A
- 2. C
- 3. B
- 4. A
- 5. B
- 6. B
- 7. A
- 8. D
- 9. C
- 10. B
- 11. B
- 12. B
- 13. B
- 14. D
- 15. C
- 16. B
- 17. A
- 18. D
- 19. B
- 20. C
- 21. C
- 22. D
- 23. B
- 24. B
- 25. C