

1. The amount by which assets exceeds liabilities is
 - A. capital
 - B. premium
 - C. bonus
 - D. provision
2. Goods bought on credit are first entered in the
 - A. cash book
 - B. journal proper
 - C. sales day book
 - D. purchases day book
3. An example of fictitious assets is
 - A. stock
 - B. overdraft
 - C. goodwill
 - D. profit
4. A public limited liability company can get additional fund through the issue of
 - A. cheque
 - B. accumulated fund
 - C. consolidated fund
 - D. debenture
5. The short term solvency of a company is determined with ____ ratio
 - A. debtors to equity
 - B. current
 - C. acid test

D. gross profit margin

6. Tolu purchased a machine for #6,000 on credit. The effect is to debit.. supplier and credit the account of the

A. machinery

B. creditor

C. cash

D. debtor

7. An amount paid in cash to John is Dr to John and Cr to

A. bank

B. debtors

C. cash

D. capital

8. A commission of #5000 to a sales manager was debited to debtors account. This is an error of

A. commission

B. principle

C. original entry

D. compensation

9. The following accounts have debit balances except

A. share premium

B. rents and rates

C. return inwards

D. advertising

10. In government accounting, money allocated to each head and sub-heads is referred to as

A. allocation

B. imprest

C. vote

D. float

11. The following are causes of discrepancies between the cash book and the bank statement balances except

A. errors

B. bank charges

C. standing order

D. bank deposit

12. Pending the location of an error, the difference in the Trial Balance is posted to a ___

A. control

B. profit and loss appropriation

C. profit and loss

D. suspense

13. The term "set off" in control account is also called

A. brought forward

B. contra entry

C. direct transfer

D. bad debt

14. Rent accrued at the end of an accounting period is a

A. current asset

B. fixed asset

C. current liability

D. capital

15. Suppliers accounts are found in the

A. private

B. purchase

C. nominal

D. general

16. An example of accounts in the nominal ledger is

A. debtors

B. drawings

C. creditors

D. machineries

17. Which of the following is an example of a device that can be used for input, storage, and output in a computer system?

A. Central processing unit (CPU)

B. Keyboard

C. USB flash drive

D. Monitor

18. Shares issued free of charge to existing shareholders based on their previous holdings is ___ issue

A. accrued

B. premium

C. floating

D. bonus

19. The document used in making lodgments into a current account is

A. paying in -slip

B. cheque book

C. pass book

D. credit card

20. The return on debenture holding is

A. share bonus

B. interest

C. net profit

D. dividend

21. Issue of prospectus is an invitation to the Public to

A. register a company

B. liquidate a company

C. redeem all outstanding shares

D. subscribe for share

22. When shares are over-subscribed, directors may decide to scale down the number of shareholding by allotting shares at ____

A. discount

B. par

C. premium

D. prorate

23. A list of all debit and credit balances from the ledger accounts are made in the

A. cash book

B. trial balance

C. balance sheet

D. profit and loss account

24. The net worth of a business is the

A. bank loan

B. capital

C. asset

D. debenture

25. Prime cost consist of direct material and ____ cost

A. overhead

B. direct

C. indirect

D. factory

26. The amount paid by the buyer of a business which is sold as going concern is

A. purchase consideration

B. conversion fees

C. consolidation fees

D. premium fees

27. The basic accounting equation is

A. Assets Liabilities = Owner's Equity

B. Assets + Expenses = Liabilities + Equity

C. Assets + Liabilities = Owner's Equity

D. Revenue - Expenses = Profit

28. The chief accounting officer of the Federation is

A. Auditor General

B. Minister of Economic Planning

C. Chief Accountant

D. Accountant General

29. The ledger containing the accounts of debtors and creditors is

A. impersonal

B. personal

C. nominal

D. real

30.

	#
Stock 1/1/09: Raw materials	2000
Work-in-progress	5000
Stock 31/12/09: Raw materials	500
Work-in-progress	4000
Raw materials purchased	18000
Direct labour	7500
Direct expenses	3000
Factory expenses	10000

The raw materials available for production is ____

- A. 18,500
- B. #20,000
- C. #19,500
- D. #38,000

31.

	#
Stock 1/1/09: Raw materials	20000
Work-in-progress	5000
Stock 31/12/09: Raw materials	500
Work in progress	4000
Raw materials purchased	18000
Direct labour	7500
Direct expenses	3000

Factory expenses	10000
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The value of raw materials consumed is

- A. #18,500
- B. #19,500
- C. #26,000
- D. #37,500

32. Which of the following bodies regulates accounting practices in Nigeria?

- A. NIT
- B. NIB
- C. EFCC
- D. ANAN

33. Which of the following is a written acknowledgement of a loan to a company?

- A. debt
- B. retained profit
- C. reserve
- D. debenture

34. A method that is beneficial for tax purposes in inflationary times is?

- A. LIFO
- B. SAP
- C. FIFO
- D. WAP

35. Which of the following is a subsidiary book as well as a ledger?

- A. purchases day book
- B. returns outward book
- C. general journal

D. cash book

36. The reward given to debenture holder is

A. interest

B. dividend

C. profit

D. premium

37. Ordinary shares are also known as

A. net worth

B. equity

C. loan

D. reserve

38. A person who prepares, analyses and interprets financial statements is known as a/an

A. cashier

B. book keeper

C. accountant

D. analyst

39. Peripherals are used in computer to describe

A. inputs, output and storage devices

B. computer types

C. method of inputting data

D. computer functions

40. When manufactured goods are transferred to the trading account at the market price, the difference is credited to the

A. manufacturing account

B. balance sheet

C. trading account

D. profit and loss account

41. An equipment costing #9,000 has an estimated residual value of #900, and is depreciated at 10% per annum. Using the straight-line method, what is the depreciation charge for the second year?

A. #810

B. #900

C. #990

D. #1,000

42. An equipment costing # 9,000 has an estimated residual value of #900, and is depreciated at 10% per annum. What is the depreciation charge for the three using diminishing balance method?

A. #990

B. #900

C. #729

D. #810

43. Goodwill is taken into account in partnership business when

A. the business is being dissolved

B. the business has good customer relations

C. a new partner is admitted

D. when the business is making huge profit

44. When discount is allowed, the accounting entry is debit discount allowed account and credit ____ account

A. suspense

B. expense

C. creditor

D. debtor

45. A partner whose liability does not extend beyond the amount of capital contributed by him is known as

A. general partner

B. active partner

C. limited partner

D. legal partner

46. Depreciation is?

A. an appropriation of profit

B. estimated life of an asset

C. loss in the value of fixed asset

D. increase in asset value

47. Who among the following developed the idea of double entry book-keeping?

A. FrankWood

B. Omuya James

C. James Lucas

D. Francia Luca Pacioli

48. Which of the following is a characteristics of a limited liability company?

A. death of a shareholder dissolves the company

B. Owned by the directors

C. separated from the owners

D. profits are shared equally

49. Peripherals are used in computer to describe

A. computer types

B. computer functions

C. method of inputting data

D. inputs, output and storage devices

50. A method of stock valuation is

A. accural

- B. owing**
- C. advance**
- D. SAP**

51. Which of the following bodies regulates accounting practices in Nigeria?

- A. ANAN**
- B. EFCC**
- C. NIB**
- D. NIT**

52. The opening stock at the beginning of an accounting period represents

- A. goods returned from last accounting period**
- B. cost of goods sold**
- C. cost of goods purchased**
- D. goods available for sale**

53. Where there is no partnership agreement, a partner who advances loan to the partnership is entitled to ____ Interest

- A. 2%**
- B. 15%**
- C. 10%**
- D. 5%**

54. Which of the following is not required in preparing a statement of affairs?

- A. fixed assets**
- B. net profit**
- C. accruals**
- D. cash in hand**

55. Which of the following is a subsidiary book as well as a ledger?

- A. cash book**

- B.** general journal
- C.** returns outward book
- D.** purchases day book

56. The permanent memory of a computer is the

- A.** ROM
- B.** RAM
- C.** ALU
- D.** CPU

57. The coming together of two sole trading businesses to form a partnership is

- A.** combination
- B.** acquisition
- C.** amalgamation
- D.** association

58. Ordinary shares are also known as

- A.** equity
- B.** net worth
- C.** loan
- D.** reserve

59. Which of the following is a function of the operating system of a computer?

- A.** controls the input and output peripherals
- B.** used to enter data
- C.** has magnetic surface for storage
- D.** used to display data

60. The value of assets on dissolution of partnership is debited to realization account and credited to ____ account

- A.** bank

- B. asset
- C. dissolution
- D. cash

61. Ifedapo Local Council has the following details for 2008

	#
Fines	5000
Allocation from state government	20000
Tenement rates	10000
Licences	12000
Hospital beds	8000
Ambulance	13000
Salaries	15000
Vehicles fueling	7000

The council's expenditure was

- A. #28,000
- B. #21,000
- C. #20,000
- D. #13,000

62. Ifedapo Local Council has the following details for 2008

	#
Fines	5000
Allocation from state government	20000

Tenement rates	10000
Licences	12000
Hospital beds	8000
Ambulance	13000
Salaries	15000
Vehicles fueling	7000

The council's expenditure for the year was

- A. #43,000
- B. #35,000
- C. #30,000
- D. #22,000

63. Ifedapo Local Council has the following details for 2008

	#
Fines	5000
Allocation from state government	20000
Tenement rates	10000
Licences	12000
Hospital beds	8000
Ambulance	13000
Salaries	15000
Vehicles fueling	7000

The Local Council's revenue for 2008 was

- A. #47,000
- B. #37,000

C. #42,000

D. #27,000

64. Purchase Ledger Control Account

	#		#
Cash paid to debtors	15000	Balance c/d	5000
Bills payable	3000	Purchase journal	30000
Discount receive	2500		
Return outward	1500		
Sales ledger	1200		
Balance c/d	11800		
	35000		35000

The item sales ledger #1,200 represents

A. cash paid to supplier

B. amount due from suppliers

C. cash purchases

D. credit purchase

65. Purchase Ledger Control Account

	#		#
Cash paid to debtors	15000	Balance c/d	5000
Bills payable	3000	Purchase journal	30000
Discount receive	2500		

Return outward	1500		
Sales ledger	1200		
Balance c/d	11800		
	35000		35000

The amount #30,000 represents

- A. cash purchases
- B. cash paid to supplier
- C. credit purchases
- D. amount due from supplier

66. Purchase Ledger Control Account

	#		#
Cash paid to debtors	15000	Balance c/d	5000
Bills payable	3000	Purchase journal	30000
Discount receive	2500		
Return outward	1500		
Sales ledger	1200		
Balance c/d	11800		
	35000		35000

The balance of #11,800 represents the amount

- A. of balance required
- B. of purchases made
- C. receivable from creditor
- D. payable to the creditor

67. The following extracts are made from the books of Agama Enterprises.

Motor van (cost)	120000
Life span	4 years
rate of Depreciation	40%

Method of depreciation used is Diminishing Balance The scrap value of the asset at the end of year four is

- A. #15,552
- B. #10,368
- C. #10,375
- D. #17,280

68. The following extracts are made from the books of Agama Enterprises.

Motor van (cost)	120000
Life span	4 years
rate of Depreciation	40%

Method of depreciation used is Diminishing Balance The depreciation charge for year two is

- A. #28,800
- B. #48,000
- C. #17,280
- D. #10,370

69.

	#
Stock 1/1/09	2200

Purchases	18000
Sales	27000
Salaries	1500
Rejection in doubtful debts	500
Office expenses	1100
Other expenses	1300
Stock 31/12/09	1000

The cost of goods sold is

- A. #21,200
- B. #20,200
- C. #19,200
- D. #18,800

70.

	#
Stock 1/1/09	2200
Purchases	18000
Sales	27000
Salaries	1500
Rejection in doubtful debts	500
Office expenses	1100
Other expenses	1300
Stock 31/12/09	1000

The net profit is

- A. #3,400

B. #4,400

C. #3,900

D. #3,800

71.

	#
Stock 1/1/09	2200
Purchases	18000
Sales	27000
Salaries	1500
Rejection in doubtful debts	500
Office expenses	1100
Other expenses	1300
Stock 31/12/09	1000

The total expenses is

A. #3,900

B. #3,800

C. #4,400

D. #3,400

72.

	#	#
Debtors	2000	6000
Stock	1000	1300
Discount allowed	500	
Cash received from debtors	10000	

Sales for the year is

A. #14,000

B. #10,500

C. #14,500

D. #16,500

73. The following balances was exgtraced from the books of Oluwalambe Ltd, manufacturer, on 31st December 2007

Stock of raw materials 1 - 1 - 2007	8000
Purchase of raw materials	450000
Stock of raw materials 31 - 12 - 2007	95000
Direct wages	65000
Indirect wages	28000
Depreciation on plants	32000
Factory rent	3500
Work in progress 1- 1- 2007	32500
Work in progress 31 - 12- 2007	37500

The prime cost is

A. #500,000

B. #527,500

C. #530,000

D. #463,000

74. The following balances was exgtraced from the books of Oluwalambe Ltd, manufacturer, on 31st December 2007

Stock of raw materials 1 - 1 - 2007	8000
Purchase of raw materials	450000
Stock of raw materials 31 - 12 - 2007	95000
Direct wages	65000
Indirect wages	28000
Depreciation on plants	32000
Factory rent	3500
Work in progress 1- 1- 2007	32500
Work in progress 31 - 12- 2007	37500

Factory overhead cost is

- A. #63,500
- B. #68,500
- C. #58,500
- D. #12,800

75. The following balances was extracted from the books of Oluwalambe Ltd, manufacturer, on 31st December 2007

Stock of raw materials 1 - 1 - 2007	8000
Purchase of raw materials	450000
Stock of raw materials 31 - 12 - 2007	95000
Direct wages	65000
Indirect wages	28000
Depreciation on plants	32000
Factory rent	3500

Work in progress 1- 1- 2007	32500
Work in progress 31 - 12- 2007	37500

Cost of goods produced is

- A. #520,000
- B. #530,000
- C. #558,500
- D. #559,000

76. The following balances were extracted from the books of Adama Ltd on 31st August 2007

	#
Sales	200000
Drawings	10000
Land and building	70000
Furniture	10000
Debtors	50000
Creditors	35000
Capital	85000
Bank	10000
General expenses	10000
Stock (31-08-2007)	10000
Purchases	140000
Stock (1-09- 2006)	20000

Percentage of net profit to sale is

- A. 10%
- B. 40%
- C. 30%
- D. 20%

77. The following balances were extracted from the books of Adama Ltd on 31st August 2007

	#
Sales	200000
Drawings	10000
Land and building	70000
Furniture	10000
Debtors	50000
Creditors	35000
Capital	85000
Bank	10000
General expenses	10000
Stock (31-08-2007)	10000
Purchases	140000
Stock (1-09- 2006)	20000

Total fixed assets is

- A. #70,000
- B. #150,000
- C. #165,000
- D. #80,000

78. The following balances were extracted from the books of Adama Ltd on 31st August 2007

	#
Sales	200000
Drawings	10000
Land and building	70000
Furniture	10000
Debtors	50000
Creditors	35000
Capital	85000
Bank	10000
General expenses	10000
Stock (31-08-2007)	10000
Purchases	140000
Stock (1-09- 2006)	20000

The gross profit is

A. #40,000

B. #50,000

C. #70,000

D. #60,000

79. The following balances were extracted from the books of Adama Ltd on 31st August 2007

	#
Sales	200000

Drawings	10000
Land and building	70000
Furniture	10000
Debtors	50000
Creditors	35000
Capital	85000
Bank	10000
General expenses	10000
Stock (31-08-2007)	10000
Purchases	140000
Stock (1-09- 2006)	20000

The current ratio is

- A. 3:1
- B. 2:1
- C. 1:1
- D. 1.2:1

80. The following balances were extracted from the books of Onuoha, a trader on 31st December 2005

Audit fee	12000
General expenses	30000
Purchases	70000
Commission paid	30000
Stock (1 - 01 - 2005)	10000

Stock (31 - 12 - 2005)	15000
Sales	120000

The gross profit is

- A. #35,000
- B. #45,000
- C. #55,000
- D. #25,000

81. A bank is interested in accounting information of a client for the purpose of

- A. evaluating the entity's share of the market.
- B. ascertaining the tax payable by the entity.
- C. assessing the credit worthiness of the customer.
- D. determining the dividend payable to shareholders.

82. An item recorded in the profit and loss account is

- A. creditors.
- B. cash-in-hand.
- C. debtors.
- D. general expenses.

83. The concept which assumes that transactions should be expressed using a common denominator is

- A. historical cost concept.
- B. money measurement concept.
- C. materiality concept.
- D. consistency concept.

84. Use the following information to answer the questions

The yearly depreciation charge using the straight line method is $X - Y/Z$

The letter X in the formula represents

- A. cost of the asset.
- B. accumulated depreciation.
- C. estimated useful life of the asset.
- D. rate of depreciation.

85. Use the following information to answer the questions

The yearly depreciation charge using the straight line method is $X - YZ$

The letter Z in the formula represents

- A. cost of the asset.
- B. accumulated depreciation.
- C. estimated useful life of the asset.
- D. rate of depreciation.

86. In manufacturing account, wages of machine operators are classified as

- A. prime cost.
- B. factory overheads.
- C. work-in- progress.
- D. administrative overheads.

87. Use the following information to answer this question

	Le
Opening stock	6,000
Sales	180,000
Closing stock	4,200

Mark-up is 3313%

The value of purchases is

- A. Le 139,200.
- B. Le 135,000.
- C. Le 133,200.
- D. Le 127,200.

88. Use the following information to answer this question

	Le
Opening stock	6,000
Sales	180,000
Closing stock	4,200

Mark-up is 3313%

The cost of goods sold is

- A. Le 139,200.
- B. Le 135,000.
- C. Le 133,200.
- D. Le 127,200.

89. Use the following information to answer this question

	Le
Opening stock	6,000
Sales	180,000
Closing stock	4,200

Mark-up is 3313%

The gross profit is

- A. Le 60,000.
- B. Le 45,000.
- C. Le 44,400
- D. Le 33,750.

90. A sole trader received the sum of # 4,860 cash from a debtor. The effect of this transaction in the balance sheet is

- A. decrease in stock and increase in debtor.
- B. decrease in asse and increase in liability.
- C. increase in cash and decrease in debtor.
- D. increase in cash and decrease in capital.

91. According to the entity concept, ownership is

- A. vested or the board of directors.
- B. vested on the management.
- C. separated from the business.
- D. not separated from the business

92. An item recorded in the trial balance is

- A. opening stock.
- B. closing stock.
- C. accrued expenses.

D. depreciation charged for the year.

93. The class of shares which are available only to the promoters of a company are

A. ordinary shares.

B. cumulative preference shares.

C. non-cumulative preference shares

D. deferred shares.

94. Expense incurred but not yet paid is

A. long-term liability

B. current liability.

C. current asset.

D. capital expenditure.

95. Work-in-progress is an item in

A. income and expenditure account.

B. receipts and payments account.

C. appropriation account.

D. manufacturing account

96. In an incomplete record, the excess of opening capital over closing capital is

A. provision.

B. loss.

C. profit.

D. reserve.

97. Use the following information to answer this question

Bayo issued a credit note to Ayo who returned defective goods. Each party maintains sales ledger control account and purchases ledger control account.

Ayo will record this transaction on the

- A.** debit side of the sales ledger control account.
- B.** credit side of the sales ledger control account
- C.** debit side of the purchases ledger control account.
- D.** credit side of the purchases ledger control account.

98. Use the following information to answer this question

Bayo issued a credit note to Ayo who returned defective goods. Each party maintains sales ledger control account and purchases ledger control account.

Bayo will record this transaction on the

- A.** debit side of the sales lodger control account.
- B.** credit side of the sales ledger control account.
- C.** debit side of the purchases ledger control account.
- D.** credit side of the purchases ledger control account.

99. The concept that underlies the comparing of expenditure for a period with the revenue of same period is

- A.** accrual concept.
- B.** money measurement concept.
- C.** matching concept.
- D.** dual aspect concept

100. An item is classified as a current asset if it is

- A.** purchased for long-term use.
- B.** expected to be realized within the balance sheet date.
- C.** fictitious in nature.
- D.** neither cash nor cash equivalent.

101. Subscriptions classified in the balance sheet as a current asset is subscriptions

- A.** in advance.
- B.** in arrears.

C. received or the year.

D. income for the year.

102. Which of the following items will not be charged to the manufacturing account?

A. Warehouse rent

B. Opening work-in-progress

C. Direct expenses

D. Carriage on raw materials

103. An account in the real ledger is

A. sales account.

B. insurance account

C. discount received account.

D. machinery

104. Use the following information to answer this question.

The margin for a business is $\frac{2}{5}$ and the cost of sales is \$ 120,000.

The mark-up for the business is

A. $\frac{4}{5}$

B. $\frac{3}{5}$

C. $\frac{2}{3}$

D. $\frac{1}{5}$

105. Use the following information to answer this question.

The margin for a business is $\frac{2}{5}$ and the cost of sales is \$ 120,000.

The sales value for the business is

A. \$216,000.

B. \$204,000.

C. \$ 200,000.

D. \$ 192,000.

106. The objective of preparing a departmental account is to

- A. ascertain the cost of raw materials of each department.**
- B. ascertain the profit of each department.**
- C. determine the value of unused stock of each department.**
- D. calculate the stock turnover ratio of each department.**

107. A debit balance of D 61,000 on a customer's bank statement means that

- A. the customer's bank balance is D 61,000.**
- B. the customer owes the bank D 61,000.**
- C. a customer's cheque of D 61,000 is yet to be cleared by the bank.**
- D. a direct deposit of D 61,000 was made by a customer.**

108. Use the following information to answer this question.

	GH¢
Trade creditors 1/1/2022	35,000
Payment to suppliers in 2022	30,000
Discounts received	1,800
Trade creditors 31/12/2022	24,000

The purchases for 2022 is

- A. GH¢ 90,800.**
- B. GH¢ 55,800.**
- C. GH¢ 39,200.**
- D. GH¢ 20,800.**

109. Use the following information to answer this question.

	GH¢
Trade creditors 1/1/2022	35,000
Payment to suppliers in 2022	30,000
Discounts received	1,800
Trade creditors 31/12/2022	24,000

The balance sheet as at 31/12/2022 will show current liability of

- A. GH¢ 59,000.
- B. GH¢ 24,000.
- C. GH¢ 22,200.
- D. GH¢ 1,000.

110. A credit purchase of D 63 from Kofi has been entered in he accounts as D 16. This is an error of

- A. principle.
- B. original entry.
- C. complete reversal of entry.
- D. omission.

111. Use the following information to answer this question.

Taiyelolu and Ejire are partners sharing profits or losses equally. Extracts from their books showed:

	Taiyelolu	Ejire
	#	#
Capital accounts (1/1/2023)	200,000	100,000
Current accounts (1/1/2023)	40,000	80,000
Drawings within the year	20,000	30,000
Annual salaries	28,000	24,000

Interest on capital is agreed at 10% and the net profit for the year is # 120,000.

The interest on Taiyelolu's capital is

- A. #20,000.
- B. #12,000.
- C. # 4,000.
- D. #2,000.

112. Use the following information to answer this question.

Taiyelolu and Ejire are partners sharing profits or losses equally. Extracts from their books showed:

	Taiyelolu	Ejire
	#	#
Capital accounts (1/1/2023)	200,000	100,000
Current accounts (1/1/2023)	40,000	80,000
Drawings within the year	20,000	30,000
Annual salaries	28,000	24,000

Interest on capital is agreed at 10% and the net profit for the year is # 120,000.

Ejire's share of profit is

- A. #45,000.
- B. # 38,000.
- C. # 34,000.
- D. #19,000

113. Use the following information to answer this question.

Taiyelolu and Ejire are partners sharing profits or losses equally. Extracts from their books showed:

	Taiyelolu	Ejire
	#	#
Capital accounts (1/1/2023)	200,000	100,000
Current accounts (1/1/2023)	40,000	80,000
Drawings within the year	20,000	30,000
Annual salaries	28,000	24,000

Interest on capital is agreed at 10% and the net profit for the year is # 120,000.

Taiyelolu's balance of current account at the end of the year is

- A. #107,000.
- B. \$87,000.

C. #68,000.

D. #40,000.

114. Purchased goodwill is purchase consideration less the value of

A. gross identifiable assets.

B. net identifiable assets.

C. gross non-current assets.

D. current assets.

115. Errors in the trial balance are corrected using the

A. control account.

B. cash book.

C. ledger.

D. journal.

116. The equivalent of income and expenditure account in a limited liability company is

A. cash book.

B. receipts and payments account.

C. appropriation account.

D. profit and loss account.

117. The owner's claim on the asset of a business is

A. capital.

B. loan.

C. liabilities.

D. drawings..

118. A partner who has not contributed any form of capital into the firm but only lends his name to be used as a partner is a

A. limited partner.

B. dormant partner.

- C. general partner.
- D. nominal partner.

119. Liquid assets refer to

- A. cash and other assets that can be easily converted into cash.
- B. cash and other current assets.
- C. current assets less current liabilities.
- D. bank balance less overdraft.

120. Use the following information to answer this question.

Ade bought goods worth le 30,000 from Ode and was given a 7.5% discount.

The evidence of payment for the goods Ade bought is the

- A. receipt.
- B. invoice.
- C. waybill.
- D. voucher.

121. Use the following information to answer this question.

Ade bought goods worth le 30,000 from Ode and was given a 7.5% discount.

The amount paid for the goods is

- A. Le 32,250.
- B. Le 30,000.
- C. Le 27,750.
- D. Le 2,250.

122. The proportion of the issued capital to be paid later is

- A. called-up capital.
- B. authorized capital.
- C. uncalled-up capital.
- D. paid-up capital

123. One of the columns in a single column cash book is

- A. bank.
- B. discount allowed.
- C. discount received.
- D. particulars.

124. Use the following information to answer this question.

	D
Purchases of motor van	370,000
Building of laboratories	760,000
Purchase of drugs	110,000
Electricity	26,000
Repair of equipment	10,000

The amount of recurrent expenditure is

- A. D 146,000.
- B. D 136,000.
- C. D 120,000.
- D. D 110,000.

125. Use the following information to answer this question.

	D
Purchases of motor van	370,000
Building of laboratories	760,000
Purchase of drugs	110,000
Electricity	26,000
Repair of equipment	10,000

The capital expenditure is

- A. D 1.140,000.
- B. D 1,130,000
- C. D 870,000.
- D. D 760,000.

126. Shares which are issued at no cost to existing shareholders in proportion to existing shares held are

- A.** founders' shares.
- B.** preference shares.
- C.** deferred shares.
- D.** bonus shares.

127. Which of the following items will be recorded on the credit side of a club's income and expenditure account?

- A.** Donation to children's home
- B.** Donations received
- C.** Honoraria paid to guest speakers
- D.** Meeting expenses

128. Where the head office maintains all books of account, the cost of goods returned is credited to

- A.** Goods Sent to Branch Account
- B.** Branch Stock Account.
- C.** Branch Head Office Current Account.
- D.** Branch Debtors Account

129. Distribution of dividends to shareholders are made from profit

- A.** on sale of fixed assets
- B.** before tax.
- C.** after tax.
- D.** on purchase of business.

130. The debit side of a trial balance total is GH¢ 2,000 more than the credit side. Which of the following errors would account for the difference?

- A.** A receipt of GH¢ 2,000 for rent has been omitted from the books
- B.** Carriage inwards of GH¢ 2,000 has been debited to carriage outwards account

C. Petty cash balance of GH¢ 1,000 has been omitted from the books

D. Discount received of GH¢ 1,000 has been debited to discount allowed account

131. (a) Identify the book of original entry in which each of the following transactions will be recorded:

- (i) purchase of office equipment on credit; (ii) credit purchases;
- (iii) bank charges;
- (iv) goods returned by a customer.

(b) State one source from which each of the following items could be transferred into purchases ledger control account: (i) purchases; (ii) cash payments; (iii) returns outwards; (iv) discount received; (v) petty cash payments.

(c) Explain the following types of ledgers:

- (i) sales ledger, (ii) purchases ledger; (ii) general ledger.

132. (a) List six adjustments that are shown in the final accounts.

(b) State three differences between capital expenditure and revenue expenditure.

133. Ose, a sole proprietor, does not keep proper books of account.

(a) Identify and explain the system of bookkeeping Ose operates.

(b) State three advantages and three disadvantages of the bookkeeping system Ose operates

134. (a) State three differences between equity shareholders and debenture shareholders.

(b) Explain the following types of preference shares:

- (i) cumulative preference shares;
- (ii) redeemable preference shares;
- (iii) participating preference shares

135. The trial balance of Ahoofe Enterprises as at 31st December 2020 was as follows:

	Dr GH¢	Cr GH¢
Fixtures and fittings	120,000	
Motor Vehicle	44,000	
Debtors and creditors	9,400	7,600
Purchases		184,900
Salos	60,300	2,500
Discounts	2,900	
Electricity	3,100	
Stock (1/1/2020)	16,300	
Cash	54,600	
Carriage inward	4,000	
Distribution expenses	2,200	
Returns	4,500	3,000
Rent	24,000	
Interest expenses	3,500	
Loan		30,000
Capital		121,200
	349,200	349,200

Additional information:

- (i) Depreciation for all fixed assets is at 15% per annum on cost;
- (ii) Electricity prepaid was GH¢ 640 and rent in arrears was GH¢ 12,000;
- (iii) Closing stock was valued at GH¢ 24,200.

You are required to prepare:

- (a) Trading, Profit and Loss Account for the year ended 31st December 2020,
- (b) Balance Sheet as at 31st December 2020.

136. Red Top Manufacturing Enterprise produces plastic bowls. The information relating to its operations for the year ended 31st December 2021 is as follows:

Stocks	01/01/2021	31/12/2021
	#	#
Raw materials	140,000	220,000
Work-in-progress	260,000	340,000
Finished goods	550,000	
Sales		4,550,000
Purchase of raw materials		1,489,000
Direct wages		850,000
Royalties		77,000
Discounts allowed		92,000
Factory fuel		660,000
Administrative expenses		44,000
Electricity		64,000
Maintenance		48,000
Selling and distribution expenses		33,000

Additional Information:

- (i) 75% of electricity and maintenance costs are apportioned to the factory,
- (ii) 60,000 units were produced and transferred to the trading account at a market value of # 55 per unit

You are required to prepare Manufacturing, Trading, Profit and Loss Account for the year ended 31st December 2021.

137. Wale started business on 1st January 2022 with D 100,000 as capital and kept few records.

His assets and liabilities as at 31st December 2022 were as follows:

	D
Premises	280,000
Loan	150,000
Stock	62,000

Debtors	4,800
Creditors	13,200
Bank	12,400

Wale withdrew D 17,300 cash for his personal use and deposited an additional cash of D 8,000 into the business account.

You are required to:

- (a) Calculate the Closing Capital;
- (b) Prepare Statement of Net Profit for the year ended 31st December 2022;
- (c) Prepare the Balance Sheet as at that date

138. The Receipts and Payments Account of Queens Social Club for the year ended 31st December 2021 is as follows:

Receipts and Payments Account for the year ended 31st December 2021

	\$		\$
Balance b/d	20,000	Expenses on diner	105,000
Subscriptions	280,000	Donations to hospital	190,000
Bat sales	221,400	Affiliation fees	6,000
Donations	50,000	Bar supplies	140,000
End of the year dinner	170,000	General expenses	183,000
		Club equipment	24,000
		Bar expenses	71,000
		Balance c/d	<u>24,400</u>
	<u>743,400</u>		<u>743,400</u>
Balance b/d	24,400		

Additional information:

	1/1/2021
	\$
Club equipment (cost \$ 50,000)	45,000
Bar stocks	6,000
<u>Subscriptions</u>	
In arrears	30,000
In advance	50,000
Creditors for bar supplies	15,000
Furniture and fittings	28,000

Provide depreciation of 10% on cost for club's equipment. You are required to prepare

- (a) Statement of Affairs as at 1/1/2021;
- (b) Bar Trading Account for the year ended 31/12/2021; (c) Subscriptions Account for the year;
- (d) Income and Expenditure Account for the year ended 31/12/2021.

139. The following statements relate to *Peter Associates* for the year ended 31st December 2021:

Trading, Profit and Loss Account for the year ended 31st December 2021

	Le		Le
Opening stock	110,500	Sales	1,040,000
Add: Purchase	<u>545,250</u>		
	655,750		
Add: Carriage inward	<u>184,250</u>		
	840,000		
Less: Closing stock	<u>140,000</u>		
	700,000		
Gross profit c/d	<u>340,000</u>		
	<u>1,040,000</u>		<u>1,040,000</u>

Expenses:		Gross profit b/d	340,000
General expenses	50,000		
Bad Debt	50,000		
Salaries	100,000		
Net Profit	<u>140,000</u>		
	<u>340,000</u>		<u>340,000</u>

Balance Sheet as at 31 December 2021

	<i>Le</i>	<i>Le</i>		<i>Le</i>	<i>Le</i>
<u>Financed by:</u>			Fixed Asset		190,000
Ordinary share Capital		200,000	<u>Current Asset:</u>		
General reserves		20,000	Stock	140,000	
Profit		140,000	Debtors	50,000	
			Bank	<u>30,000</u>	220,000
<u>Current liability:</u>					
Bank overdraft	30,000				
Trade creditors	20,000	50,000			
		<u>410,000</u>			<u>410,000</u>

You are required to calculate:

(a) Returns on shareholder's funds;

- (b) Acid test ratio;
- (c) Net profit margin
- (d) Working capital ratio;
- (e) Stock turnover ratio.

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