|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NAME** |  | | | | |
| **SUBJECT** | ACCOUNTING | **CLASS** | **SS1** | **DURATION** | **2 HOURS** |



INSTRUCTION: Answer all questions in Part A and five questions in Part B

PART A (MULTIPLE CHOICE- 20 MARKS)

1. When goods are sold for cash, the credit entry goes to the

A. Trader's account

B. Cash account

C. Purchases account

D. Sales account

2. Which of the following accounts belongs to the private ledger?

A. Drawings Account

B. Premises account

C. Bank account

D. Debtors account

3. Which of the following accounts belongs to the personal ledger?

A. Purchases account

B. Capital account

C. Machinery account

D. Okafor's account

4. A sales of #2,570 was recorded in the Day Book as #2,750. The error committed was

A. compensating error

B. error of omission

C. error of principle

D. error of transposition

5. Trade discount is

A. allowance for prompt payment

B. allowance for damaged goods

C. allowance of price

D. discount on creditors

6. Pending the location of error, the difference disclosed in the trial balance is normally posted to

A. an adjustment account

B. control account

C. a suspense account

D. a profit and loss account

7. A list of balances extracted from the ledger is known as

A. balance sheet

B. statement of affairs

C. trading account

D. trial balance

8. Which of the following is the book of original entry for all payments and receipts whether cash or cheque?

A. Sales Day Book

B. Purchases Day Book

C. Cash Book

D. Cheque Book

9. The balance sheet is a statement showing

A. all assets and liabilities

B. all balances

C. all errors

D. the financial state of an organisation

10. The purpose of a trading account is to ascertain

A. sales

B. gross profit or loss

C. net profit or loss

D. carriage outwards

11. Which of the following does not belong to the group?

A. Furniture and fittings

B. Plant and machinery

C. Building

D. General reserve

Use the following information to answer question 12 to 15.

#

Sales 14,600

Purchases 5,500

Returns inward. 150

Rent 2,000

Salaries 1,000

Discount received 400

Closing stock. 250

Opening stock. 100

12. The cost of goods sold is

A. #5,350

B. #5,150

C. #4,500

D. #4,250

13. Gross profit is

A. #10,350

B. #10,200

C. #9,500

D. #9,100

14. Net sales is

A. #15,000

B. #14,750

C. #14,600

D. #14,450

16. A subsidiary record is a book

A. of original entry

B. containing the ledger

C. found in the journal

D. containing the balance sheet

17. Which of the following is an impersonal nominal account?

A. Salaries

B. Machinery account

C. Debtors account

D. Creditors account

18. The accounting entries for recording cash withdrawn by the proprietor for personal use are; debit

A. cash and credit purchase

B. purchases and credit drawings

C. purchases and credit cash

D. drawings and credit cash

19. The accounting equation is? \_\_\_\_\_\_\_\_\_

A. capital less current assets amounts to liabilities

B. Assets less liabilities amount to capital

C. fixed assets and current liabilities amount to capital

D. capital and assets amount to liabilities.

20. Discounts allowed is charged to

A. trading account

B. balance sheet

C. current account

D. profit and loss account

21. The term “bad debt" is used to describe

A. debt that cannot be recovered

B. a debt that is long overdue

C. an overcharge on a debtor's account

D. a debt owed by a former employee

22. Which of the following is not an accounting concept?

A. Entity

B. Going concern

C. Consistency

D. Historical cost

23. "Accountants do not count chickens before they are hatched. This is the concept of

A. accruals

B. materiality

C. realization

D. going concern

24. A suspense account is used to

A. record sales

B. Agree the trial balance

C. record purchases

D. prepare the balance sheet

Use the information to answer questions 25 and 26

#

Opening stock 40,000

Purchases 130,000

Closing stock 32,000

Sales 180,000

25. What was the cost of goods sold?

A. #170,000

B. #138,000

C. #130,000

D. #122,000

26.What was the gross profit?

A. #58,000

B.#50,000

C #42,000

D. #10,000

27. Which of the following errors could affect the agreement of trial balance totals?

A. Commission

B. Omission

C. Single entry

D. Original entry

28. Which of the following items is found in the credit column of the trial balance?

A. Provision of doubtful debts

B. Bad debts

C. Carriage inwards

D. Carriage outwards

29. Which of the following is a real account item? A. Goodwill

B. Fixtures

C. Debtors

D. Interest

30. Which of the following has multiple uses?

A. Sales journal

B. Purchases journal

C. General journal

D. Returns outwards journal

31. The accounting concept which allows the use of a particular method for treating a transaction for a resemble number of years is A. consistency B. cost C. accrual D. conservatism

32. Which of the following is not container in a journal?

A. Folio number of transportation

B. Date of transaction

C. Address of the customer

D. Description of the transaction

33. An example of fixed asset is

A. creditors

B. goodwill

C. accruals

D. furniture

34. Which of the following is not an accounting concept?

A. Periodicity

B. Accuracy

C. Consistency

D. Objectivity

35. A business unit is assumed to operate into foreseeable future and earn reasonable net income". This statement is emphasized by the concept of

A. business entity

B. going concern

C. realization

D. accruals

36. Which of the following is charged to trading account?

A. discounts allowed

B. carriage inwards

C. Salaries

D. Carriage inwards

37. Sule sets aside from his private funds #20,000 for business purposes. The #20,000 is referred to as

A. drawings

B. capital

C. loan

D. profit

38. A trial balance is prepared to

A. detect fraud

B. ascertain losses in a trading period

C. determine opening capital

D. test arithmetical accuracy of ledger entries

39. Which of the following is not an external user of accounting information?

A. management

B. creditors

C. shareholders

D. government

40. The accounting principle that states that insignificant expenditures are not to be taken into account

A. realization concept

B. materiality convention

C. marching concept

D. consistency convention

41. The accounting concept which assumes that the business will continue to be in existence into the foreseeable future is

A. dual aspect

B. business entity

C. accrual

D. going concern

42. The objective of accounting information is to enable users to

A. Prepare the financial statements

B. value stock

C. makes decisions

D. prepare budgets

43. The distinguishing feature between a two- column and three column cashbook is

A. discount column

B. cash column

C. bank column

D. ledger folio

44. The lodgment of business cash into the business bank account is an example of

A. contra entry

B. bank reconciliation

C. self-balancing ledger

D. reversal entry

45. Which of the following is not a characteristic of a trial balance?

A. It has columns for debit and credit

B. Total of debit balance equals total of credit balance

C. It is a statement

D. It is an account

46. The order of financial accounting process involves I. recording ll. presenting lll. Collecting IV. analyzing

A. I,Il, lll and lV

B. ll,lll,l and IV

C. lll,l,ll and IV

D. IV,lll and l

47. A business is treated as being separate from the owners. This statement is emphasized by

A. consistency concept

B. realization concept

C. going concern

D. business entity concepts

48. The accounting that state that, in the preparation of accounting statement, revenue are recognized as soon as goods are passed on to the customer is the

A. materiality concept

B. matching concept

C. consistency concept

D. realistic concept

49.A statement showing a trader's financial Position as at a particular date is a/an

A. trading account

B.profit and loss account

C. balance sheet

D. appropriation account

50. Purchases of goods from Obi been entered in Obika"s account. This is an error of

A. omission

B compensation

C. comission

D. Original entry

***PART B: THEORY***

***INSTRUCTIONS: ANSWER ANY FIVE (5) FROM THIS SECTION***

***SECTION A: Answer two questions from this section***

1a. State three reasons why a trial balance may not balance. 3marks

b. State three errors that would not affect the agreement. 3marks

c. What is a suspense account? 2marks

2. Explain the following; 6marks

I. Trading account

II. Balance sheet

III. Profit and loss account

2b. State two purposes of balance sheet 2marks

3a. What is accounting concepts and convention? 2marks

b. List and explain five accounting concepts and convention. 6marks

4. Diagrammatically explain the classification of ledgers and accounts 8marks

***SECTION B***

***Answer three questions from this section***

5. The following relates to the business of Tunde, a Petty Trader for the month of May, 2022.

#

May 1, 2022 started business with capital in cash. 50,000

" 2,. ". Bought goods on credit from Dotun 10,800

". " Mebude. 17,400

". " Kola. 5,000

". ". Bobo 15,200

" ". Olowe. 12,800

4 Sold good on credit to Bimbo. 8,600

6. Paid rent by cash. 2,400

9. Bimbo paid his account by Cheque. 8,600

10. Sumbo aid by cheque 30,000

12. Paid the following by Cheque: Kola. 5,000

Dotun 10,800

15. Paid carriage on goods by cash. 4,600

18. Bought goods on credit: Mebude 8,600

21 Sold goods on credit to Hakeem 13,400

31. Paid rent by Cheque. 3,600

You are required to prepare the ledger accounts and extract a trial balance. 8marks

6. The trial balance of Kayode as at 31st December,,2012

Dr. Cr.

# #

Sales 261,800

Purchases. 184,200

Loan. 10,000

Drawings 16,840

Capital 51,910

Bank 6,230

Cash in hand. 590

Debtors 24,600

Creditors 18,740

Stock 1/1/2012 47,820

Land and building 8,200

Equipment. 12,500

Carriage inwards 430

Returns Inwards 1,100

Carriage outwards 618

Furniture. 810.

Return outwards 614

Wages and salaries. 3,260

Sundry expenses 5,940

Telephone 5,620

Advertising. 20,000

Insurance 984

Rent. 2,754

Lighting. 568

343,064 343,064

Stock at close was #50,000. Prepare the final account for the year ended 31st December, 2012. 8marks

7. From the balances of Oyindamola Enterprises, prepare the trial balance for the year 31st December, 2012 8marks

#

Capital. 18,000

Sundry expenses. 600

Bills receivable. 10,000

Creditors 20,000

Returns Inwards. 4,260

Returns outwards. 2,500

Furniture and fittings. 66,722

Freehold property. 80,000

Carriage inwards. 304

Bad debts. 136

Cash. 36,000

Bank Overdraft. 14,000

Purchases. 342,000

Sales 500,000

Drawings. 6,520

Discounts received. 508

Discounts allowed. 1,678

Provision for doubtful debts 1,460

Rent. 312

Bills payable. 7,504

Debtors. 16,000

Carriage inwards. 2,220

Accumulated depreciation- furniture. 3,400

Advertising. 300

General expenses. 320

8. The total of the trial balance of Aduragbemi did not agree. The difference was posted to a suspense account pending investigation.

1. A receipt from Tunde ₦6,000 was entered in the cash book but not credited to any account.
2. Purchase from Anu of ₦1,000 were not entered in his account but omitted from the purchases book.
3. The purchase day book was under cast by ₦2,000.
4. Commission received ₦4,000 had been correctly entered in the account but was posted as #1,500 in the cash book.
5. Sales day book was overcast by ₦1,500.
6. Sales to Dele of #2,000 were omitted from the book all together.

You are required to .

1. Raise necessary journal entry to correct the errors.
2. Write up suspense account. 8marks