

**AKENTEN APPIAH-MENKA UNIVERSITY OF SKILLS TRAINING AND**

**ENTREPRENEURIAL DEVELOPMENT**

**DEPARTMENT OF INFORMATION TECHNOLOGY EDUCATION**

**END OF FIRST SEMESTER EXAMINATION-APRIL 2021**

<b>PROGRAMME</b>	<b>BSC INFORMATION TECHNOLOGY EDUCATION (LEVEL 100)</b>
<b>COURSE TITLE</b>	<b>PRINCIPLES OF ACCOUNTING</b>
<b>COURSE CODE</b>	<b>ITC 114</b>
<b>DURATION</b>	<b>2 HOURS</b>
<b>EXAMINER</b>	<b>MR. FRANK YAO GBADAGO</b>
<b>INSTRUCTIONS</b>	<b>ENCIRCLE THE CORRECT OPTION. STUDENTS IN A, B, C, D &amp; E SHOULD ANSWER THIS PAPER</b>

- Q1.** All organizations carry out their activities solely for profit.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q2.** In Ghana partnerships are registered with the Registrar General under Act 152 of 1962.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q3.** External users of financial information may be described as stakeholders outside the entity with usually having special financial interest in the entity.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q4.** When an accounting system provides information that enables owners to determine how funds entrusted to managers have been used and to what ends is referred to as the stewardship function of accounting.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure

- Q5.** The field of accounting that provides information for the users inside the entity is known as financial accounting.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q6.** The specific bases selected and consistently applied in preparing financial statements by an entity is what is known as the accounting policies.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q7.** Which of the followings most appropriately represent reliability concept?  
A. Produce receipts for any payment made  
B. Produce invoices for all sales made  
C. Support all negotiated contracts with signed agreements  
D. Prepare payment vouchers for every payments  
E. All of the above
- Q8.** The usual demand for receipts to support every payment for expenses made by an accountant is rooted in reliability concept.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q9.** Accounting cycle is the systematic steps to generate the financial report for the users.  
A. Cannot tell  
B. Partly True  
C. True  
D. False  
E. Not Sure
- Q10.** Assuming Agya Gbadago commenced business with trading stocks that worth GH¢ 45,000.00 and GH¢ 5,000.00 cash in his bank account at UBA, Tanoso branch as at 1<sup>st</sup> January, 2021. Show how his accounting equation will be like as at that date.  
A. 45,000.00 + 5,000.00 = 45,000.00 + 5,000.00  
B. 50,000.00 - 5,000.00 = 45,000.00 - 5,000.00  
C. 45,000.00 - 5,000.00 = 40,000.00  
D. 45,000.00 + 5,000.00 = 50,000.00 - 5,000.00  
E. 45,000.00 + 5,000.00 = 50,000.00

- Q11.** The difference between a business's assets and its liabilities is known as the ....  
A. Net Account  
B. Net Resources  
C. Net Balance  
D. Worth Net  
E. Net Assets
- Q12.** The proprietor's equity can be stated as follows:  
A. Assets + Initial Investments = Capital + Profits + Drawings  
B. Assets - Claims = Capital + Profits - Drawings  
C. Assets + Claims = Capital + Profits + Drawings  
D. Assets + Profits Accounts = Capital + Profits - Drawings  
E. Assets - Claims = Capital - Profits + Drawings
- Q13.** The followings are all liabilities except?  
A. Unearned income  
B. Provisions for unpaid services rendered to a client  
C. Over-drawn bank account balance  
D. Deposits by customers  
E. Accruals
- Q14.** The owners' equity can also be known as.....  
A. Debtor's claims  
B. Customer's claims  
C. Creditor's claims  
D. Owner's claims  
E. Depositor's claims
- Q15.** A place where all the information referring to a particular asset or liability or capital are kept or recorded is known as....  
A. Ledger  
B. Books of Account  
C. Journal  
D. Account  
E. Real Account
- Q16.** All the following statements relating to accounting equation are all true except.....  
I. financial reports are products of accounting equations used in the bookkeeping practices  
II. accounting equation is the foundation to the double entry bookkeeping system  
III. accounting equation is foundation to estimation of the net worth of a business entity  
IV. accounting equation is foundation for computing, understanding, and analyzing a firm's income statement  
V. the accounting equation is foundation to the balance sheet  
A. I, II and V  
B. II, III and IV  
C. I and IV  
D. III only  
E. None of the above

- Q17.** Which of the following statements is not correct?
- A. Chart of account is usually organized based on the financial statement elements
  - B. For duality effects, every transaction affects at least two debits legs of an accounts
  - C. The accounting equation must remain in balance after each transaction
  - D. Debit the receiver and credit the giver
  - E. Accounting is an information system
- Q18.** The effect of transactions is to increase or decrease the elements of the accounting equation depending on the nature of the transaction
- A. True
  - B. Partly true
  - C. False
  - D. Partly false
  - E. Not sure
- Q19.** When the bank takes deposits on our behalf the typical entries will be for the bank to:
- A. Debit our bank account with the deposits
  - B. Credit our bank account with the deposits
  - C. Deposit our bank account with them
  - D. Deposit our cash book with them
  - E. Bank the deposits on our behalf
- Q20.** A debit balance on the customer's ledger signifies that.....
- A. The customer has supplied goods
  - B. The customer is trustworthy
  - C. The customer is being owed
  - D. The customer is owing
  - E. The customer is a creditor
- Q21.** Balancing of a ledger is usually carried out preceding the?
- A. Accounting equation
  - B. Preparation of day books
  - C. Accounting cycle
  - D. Extraction of the trial balance
  - E. Preparation of day books
- Q22.** Purchases Day Book records all purchases.
- A. True
  - B. Partly true
  - C. False
  - D. Partly false
  - E. Not sure
- Q23.** If Agya Yao commences business with trading stocks of GH¢150,000.00, then it means;
- A. Agya Yao will sell all the 150,000.00 worth of stocks
  - B. Agya Yao has GH¢150,000.00 trading stocks
  - C. Agya Yao has equity of GH¢150,000.00
  - D. Agya Yao has GH¢150,000.00 cash in hand
  - E. Agya Yao has credited stocks of GH¢150,000.00

- Q24.** The statement showing the state of affairs of an entity at any given time is known as the?
- A. Statement of cash flow
  - B. Statement of financial position
  - C. Trial balance
  - D. Income statement
  - E. Financial statements
- Q25.** The regular allotment of cost of fixed asset(s) over its useful existence is referred as?
- A. Systematic Allocation
  - B. Cost allocation
  - C. Cost apportionment
  - D. Depreciation
  - E. Allocation
- Q26.** Users of accounting information may be categorized depending on whether they are actually involved in the day to day operations of the business or otherwise.
- A. True
  - B. Partly true
  - C. False
  - D. Partly false
  - E. Not sure
- Q27.** The group of users of accounting information that required more detailed information are known as?
- A. external users
  - B. internal users
  - C. Group Users
  - D. Directors
  - E. Management
- Q28.** The assumptions underlying the preparation of financial information are known as?
- A. accounting
  - B. Basis
  - C. concepts
  - D. policies
  - E. methods
- Q29.** The followings are all components of financial statements except?
- A. Notes & Explanatory
  - B. Revenue
  - C. Profit and Loss
  - D. cash flow
  - E. Balance sheet
- Q30.** Non-current assets are regarded as the operating facility of the entity.
- A. True
  - B. Cannot tell
  - C. False
  - D. Not sure
  - E. Not certain

- Q31.** Security of accounting information system is of importance to the developer and the Accountant for the following reasons except?
- A. To ensure that the accounting information system is free from unauthorized access,
  - B. To ensure that the accounting information system is safe to the users,
  - C. To ensure that the accounting information system and its usage do not harm to other stakeholders and the environment at large,
  - D. To ensure that the accounting information is more costly
  - E. None of the above
- Q32.** Simplicity as a characteristic of an accounting information system implies, the accounting information to be provided by the system should not be overly complex or the accounting system itself should not be so sophisticated to operate.
- A. True
  - B. Cannot tell
  - C. False
  - D. Not sure
  - E. Not certain
- Q33.** The role of an accountant include the followings, except to?
- I. Prepare profit and loss statements on behalf of an entity.
  - II. Keep the entity's cash on his own
  - III. Set up accounting practices and procedures for an entity
  - IV. Analyse and interpret financial information and advise management.
  - V. Help to implement strategies for cost savings.
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above
- Q34.** The assumption that the business entities will remain in operation for an unlimited period of time suggesting that, they will not be liquidated in the near future is known as.....concept.
- A. Periodicity
  - B. Reliability
  - C. Liquidity
  - D. Going-concern
  - E. Entity
- Q35.** The accounting assumption that treats the business as a separate entity from its varying stakeholders is known as?
- A. Periodicity concept
  - B. Reliability concept
  - C. Consistency concept
  - D. Going-concern concept
  - E. Entity concept
- Q36.** Financial accounting could be said to influence allocation and reallocation of financial resources within economies across the globe.
- A. True
  - B. Cannot tell
  - C. False
  - D. Not sure
  - E. Not certain

**Q37.** International Financial Reporting Standards provide rules and guidelines for the preparation and presentation of financial statements across the globe.

- A. True
- B. Cannot tell
- C. False
- D. Not sure
- E. Not certain

**Q38.** The function of the folio column of the ledger is to provide cross referencing back to the original source document that the entries were based.

- A. True
- B. Cannot tell
- C. False
- D. Not sure
- E. Not certain

**Q39.** The followings are all errors that may not affect the agreement of the trial balance, except?

- I. Errors of original entry
  - II. Complete entries
  - III. Complete reversal of entries
  - IV. Compensating Errors
  - V. Errors of principle
- 
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above

**Q40.** The followings are all elements of the accounting equation, except?

- I. Assets
  - II. Revenue
  - III. Liabilities
  - IV. Capital
  - V. Expenses
- 
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above

**Use the following information to answer Q41 to Q42:**

Assuming that Etornam bought a piece of equipment on credit from Edzordzinam at a cost of GH¢50,000.00 on 22<sup>nd</sup> April, 2021.

- Q41.** Name the specific primary book(s) of original entry that Etornam will open to first record the above transactions.
- A. Day book
  - B. Purchases Day Book
  - C. Journal
  - D. General Journal
  - E. Ledger
- Q42.** List the ledgers that Etornam will open in his books to record the above transactions.
- I. Bank Account
  - II. Equipment Account
  - III. Depreciation Expense Account
  - IV. Accumulated Depreciation Charges Account
  - V. Edzordzinam's Ledger
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above
- Q43.** The followings are all not examples of books of accounts, except?
- I. Books of original entry,
  - II. Bank reconciliation statement
  - III. Ledgers,
  - IV. Fixed asset schedule
  - V. Statement of cash flow
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above
- Q44.** Nominal ledger records items of real nature while real ledger keeps records of things that are not of real nature.
- A. True
  - B. Cannot tell
  - C. False
  - D. Not sure
  - E. Not certain
- Q45.** The reasons why the cash book balance and the bank statement balance may not agree at point in time may be due to any of the followings except?
- I. Unpresented cheques,
  - II. Cheques cashed at the bank,
  - III. Standing orders to the bank,
  - IV. Direct debits such as loan, interest, charges, fees etc.
  - V. Lodgments.
- A. I, II and V
  - B. II, IV and V
  - C. II and V
  - D. II only
  - E. None of the above