

UMMUL QURA HIGH SHOOOL

Arowona Bus-Stop Amuloko Akanran Road, Ibadan.

THIRD-TERM EXAMINATION

CLASS: SSS 1

SUBJECT: Financial Accounting. **DURATION:** 2 hours.

1. The account prepared to show the relationship between net sales and cost of goods sold is
 - A. Single account
 - B. Ledger account
 - C. Trial balance
 - D. Trading account
2. A sum amount of money given to a petty cashier at the start of accounting period is
 - A. float
 - B. reimbursement
 - C. expenses
 - D. information
3. Which of the following is not an item of trading account?
 - A. Return inward
 - B. Return outward
 - C. Carriage inward
 - D. Carriage outward
4. If a petty cashier is given ₦1,200 and spent ₦850. He will be reimbursed with
 - A. ₦1,200
 - B. ₦1,000
 - C. ₦850
 - D. ₦650
5. The art of collecting, recording and interpreting accounting data is
 - A. cost accounting
 - B. management accounting
 - C. financial accounting
 - D. data processing
6. A sales ledger contains
 - A. creditors account
 - B. nominal account
 - C. real account
 - D. debtors account
7. The following are real accounts except
 - A. motor vehicle account
 - B. plant and machinery account
 - C. furniture and fittings account
 - D. debtors account
8. Bank reconciliation statement reconciles
 - A. cash and bank balances in the cash book
 - B. bank balance in the cash book and bank statement balance
 - C. cash balance in the cash book and bank statement balance
 - D. bank balance brought down and bank balance carried down in the cash book
9. The total amount of money incurred for the smoothie running of the business is
 - A. Expenses
 - B. Income
 - C. Capital
 - D. Liabilities
10. The following are forms of expenses except

- A. Electricity
- B. Interest on bank loan
- C. Insurance
- D. Office equipments

11. The excess of income realized over expenditure incurred is

- A. Net profit
- B. Net loss
- C. Gross profit
- D. Gross loss

12. Which of the following is a journal as well as an account?

- A. Sales day book
- B. cash book
- C. General journal
- D. purchases journal

13. Which of the following is referred to as prime entry?

- A. Ledger
- B. Journal
- C. Account
- D. Balances

Use the following information to answer questions 12 - 13.

	₦
Balance as per cash book.	8,400
Bank charges.	300
Standing order.	2,500
Unpresented cheques.	2,800

14. The adjusted cash book balance is

- A. ₦6,200
- B. ₦5,600
- C. ₦8,400
- D. ₦11,200

15. The balance as per bank statement is

- A. ₦2,800
- B. ₦8,400
- C. ₦2,500
- D. ₦300

16. Which of the following is not shown in the trial balance?

- A. Opening stock
- B. discount allowed
- C. closing stock
- D. discount received

17. The following are internal users of financial information except

- A. shareholders

- B. employees
- C. managers
- D. financial analyst

18. The government tax officials assesses financial information to determine

- A. tax due
- B. national income
- C. employees salaries
- D. capital

19. A rent of ₦12,000 was paid by Taiwo to his landlord by cheque. The double entry in Taiwo's book is

- A. debit rent account and credit bank account
- B. debit rent account and credit Taiwo account
- C. debit bank account and credit rent account

D. debit Taiwo account and credit rent account

20. The accounting principle which state that, for every debit entry, there is a corresponding credit entry is recognized by
- A. realization concept
 - B. entity concept

C. going concern concept
D. dual aspect concept

21. Which of the following is not an accounting convention?
- A. Materiality
 - B. Consistency
 - C. Periodicity
 - D. Business Entity

Use the following information to answer questions 20 - 22.

.	₦
Opening stock	1,800
Closing stock	1,350
Carriage inward	500
Sales	6,000
Purchases	2,000

22. Cost of goods sold is
- A. ₦3,050
 - B. ₦1,000
 - C. ₦2,950
 - D. ₦4,300

23. Cost of goods available for sales is
- A. ₦1,800
 - B. ₦2,500
 - C. ₦4,300
 - D. ₦1,350

24. Gross profit for the year is
- A. ₦6,000
 - B. ₦3,050
 - C. ₦1,350
 - D. ₦1,800

25. Return inward is also called
- A. purchases return
 - B. sales return
 - C. goods on sales
 - D. goods in transit

26. The purchase of furniture, an asset to the company was debited to

purchases account. This is an error of

- A. omission
- B. commission
- C. original entry
- D. principles

27. A cash payment of ₦85 to Regina was entered in the books as ₦58.

This is an error of

- A. original entry
- B. principles
- C. commission
- D. managing

28. The following are forms of errors except

- A. principles
- B. commissiom
- C. overcasting of receipt
- D. trial balance

29. Repair of air conditioner was debited to office equipment account.

This is an error of

- A. principle

- B. commission
C. trial balance
D. compensating
30. Which of the following is a normal account?
- A. Bank account
B. Cash account
C. sales account
D. stock account

Use the following information to answer questions 29 - 31.

	₦
Premises.	100,000
Plant.	50,000
Fixtures	30,000
Stock.	20,000
Debtors	10,000
Cash	10,000
Creditors	20,000

31. Total assets is
- A. ₦220,000
B. ₦180,000
C. ₦40,000
D. ₦200,000
32. Current liabilities is
- A. ₦20,000
B. ₦40,000
C. ₦150,000
D. ₦60,000
33. Working capital is
- A. ₦20,000
B. ₦40,000
C. ₦60,000
D. ₦30,000
34. The sales day book is used to record
- A. cash and credit sales
B. credit sales
C. Cash sales D. sales to middlemen
35. Which of the following is not a source documents?
- A. Credit note
B. debit note
C. cash book
D. receipts
36. A document issues by the seller to correct undercharged amount of goods is
- A. credit note
B. debit note
C. cash book
D. invoice
37. The following are included in an invoice except
- A. date
B. signature
C. amount
D. folio
38. A source document that provides detailed information about good sent by Supplier is
- A. receipt
B. invoice
C. cash book
D. petty
39. The profit ascertain in the profit and loss account is

- A. Net profit
 - B. Gross profit
 - C. First profit
 - D. Normal profit
40. The amount of goods bought and returned by the customers due to wrong item is
- A. Sales return
 - B. Return outward
 - C. Goods return
 - D. Suppliers return
41. The value of the goods available at the beginning of an accounting period is
- A. Opening stock
 - B. Opening trade
 - C. Closing trade
 - D. Closing stock
42. The amount incurred on transporting goods purchased to the point of sales is
- A. Carriage inward
 - B. Carriage outward
 - C. Carried forward
 - D. Brought forward
43. The periodic statement sent by bank to its customers is
- A. cash book
 - B. balance sheet
 - C. bank statement
 - D. bank consideration
44. The following are the reasons for disagreement between cash book and bank statement except
- A. dividend
 - B. shareholders
 - C. dishonored cheques
 - D. standing order
45. The excess of total sales over the cost of goods sold is
- A. Net profit
 - B. Net loss
 - C. Gross profit
 - D. Gross loss
46. The list that shows the debit and credit balances extracted from ledgers is
- A. cash book
 - B. ledger
 - C. trial balance
 - D. final account
47. The cheque issued out in favour of somebody but have not been drawn from the bank is
- A. uncredited cheques
 - B. unrepresented cheques
 - C. outdated cheques
 - D. order cheques
48. Which of the following errors will affect the total of trial balance?
- A. Error of commission
 - B. error of principle
 - C. one side omission
 - D. error of omission
49. The following are fixed assets of a business organization except
- A. land and building
 - B. motor vehicles
 - C. machinery
 - D. stock
50. The properties of a business that generate income is
- A. fixed assets
 - B. current assets
 - C. current liabilities
 - D. long-term liabilities

Theory of financial accounting

Answer question (2) and other (1) from this section

1.(a) What is Bank statement?

(b) State five (5) reasons for disagreement between cash book and bank statement

(c) Explain (3) out of the five stated above.

2.(a) What is Balance Sheet?

(b) state four (4) examples of fixed assets .

(c) Mention four (4) examples of current liabilities.

3.(a) What is Trading Account?

(b) state six (5) items of Trading Account.

(c) write short note on three (3) out of the five stated above.

Practice of financial accounting

Answer questions (6) and other one question from this section

4. The following balances were extracted from the books of Ajewola Nig. Ltd. for the year ended 31st December, 2001.

	₦
Opening stock.	12,000
Return outward.	4,000

Return inward.	3,500
Purchases.	55,000
Rent and rate.	2,500
Electricity.	1,300
Carriage inward.	2,500
Carriage outward.	1,500
Sales.	120,000
Salaries.	3,500
Bad debts.	1,300
Insurance	2,200

You are required to prepare Trading Profit and Loss account for the year ended 31st December 2001.

5. The following is the summary of the petty cash transactions of Kongo Nig. Ltd. for the month of March 1996.

.	₦
March 1, Received cash float.	4,000
. 2, postage.	180
. 3, traveling.	120
. 4, cleaning.	150
. 7, petrol for delivery van.	220
. 9, traveling.	240
. 11, stationary.	170
. 13, cleaning.	180
. 14, traveling.	150

. 16, postage.	120
. 18, cleaning.	230
. 20, postage.	130
. 21, delivery van expenses.	430
. 23, petrol.	180
. 25, cleaning.	210
. 27, postage.	150
. 28, ayo ledger.	160
. 30, petrol.	140

You are required to rule up a suitable petty cash book with analysis columns for expenses on cleaning, transport, stationary, postage and ledgers

6. The following errors were discovered in the books of Oriyomi Nig. Ltd. after a series of investigation.

- i. Goods purchased with ~~₦~~5,000 cash was omitted from the books.
- ii. Goods purchased ~~₦~~6,000 from Iriwo-Ola on credit was entered into Jayeija account.
- iii. Motor car expenses of ~~₦~~12,000 was entered into motor car account.
- iv. Cash sales ~~₦~~7,200 was entered as ~~₦~~6,200.
- v. Purchases of goods ~~₦~~9,000 was entered into Electricity account.
- vi. Salaries paid with ~~₦~~1,500 cash was entered in the books as ~~₦~~2,000

You are required to prepare journal entries to correct the above errors.