**HERITAGE GLOBAL ACADEMY**

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**SECOND TERM CONTINUOUS ASSESSMENT TEST 1 2023/2024 SESSION**

**SUBJECT: BUSINESS STUDIES**

**Class: JSS3** **Time: 40 MINUTES**

**INSTRUCTION: ANSWER ALL**

**Objectives**

1. What is shorthand primarily used for?

a) Writing formal letters

b) Taking rapid notes

c) Composing essays

d) Creating artistic designs

2. Who is credited with the invention of Pitman shorthand?

a) Isaac Pitman

b) Thomas Edison

c) Alexander Graham Bell

d) Samuel Morse

3. Which of the following is a characteristic of shorthand?

a) It uses long, descriptive words.

b) It is primarily used for leisure writing.

c) It employs symbols and abbreviations.

d) It is slower than traditional writing.

4. What does the term "stenographer" refer to?

a) A person who specializes in ancient languages

b) Someone who transcribes shorthand into longhand

c) An expert in shorthand writing

d) A professional typist

5. Which shorthand system is widely used in the United States?

a) Gregg shorthand

b) Pitman shorthand

c) Teeline shorthand

d) Handywrite shorthand

6. What is the purpose of a shorthand outline?

a) To confuse the reader

b) To simplify lengthy words

c) To increase the complexity of the text

d) To eliminate the need for transcription

7. What is the purpose of a trading profit and loss account?

a) To calculate the value of inventory

b) To determine the overall profitability of a business

c) To list all the assets and liabilities of a company

d) To record the salaries of employees

8. In a trading profit and loss account, which section typically comes first?

a) Gross profit

b) Net profit

c) Expenses

d) Revenue

9. Which of the following would be categorized as a revenue in a trading profit and loss account?

a) Rent expense

b) Advertising costs

c) Sales revenue

d) Utility bills

10. What is the formula for calculating gross profit in a trading profit and loss account?

a) Revenue - Expenses

b) Revenue - Cost of Goods Sold (COGS)

c) Total Assets - Total Liabilities

d) Net Profit / Revenue

11. In a trading profit and loss account, what is deducted from revenue to calculate gross profit?

a) Administrative expenses

b) Cost of Goods Sold (COGS)

c) Interest payments

d) Taxes

12. Which section of a trading profit and loss account includes expenses such as salaries, rent, and utilities?

a) Gross profit

b) Net profit

c) Revenue

d) Expenses

13. What does the net profit represent in a trading profit and loss account?

a) The total revenue generated by the business

b) The overall financial health of the business

c) The profit remaining after deducting all expenses from revenue

d) The amount of money owed to creditors

14. Which financial statement is often prepared after the trading profit and loss account?

a) Balance sheet

b) Cash flow statement

c) Income statement

d) Statement of retained earnings

15. What is the primary purpose of a ledger in accounting?

a) To record transactions chronologically

b) To provide a summary of financial performance

c) To track the balances of individual accounts

d) To prepare financial statements

16. Which of the following is typically not found in a ledger?

a) Transactions

b) Journal entries

c) Account balances

d) Financial ratios

17. In a double-entry accounting system, how are transactions recorded in the ledger?

a) Only in one account

b) In two separate accounts

c) In a single column

d) In chronological order

18. What is the purpose of posting transactions to the ledger?

a) To summarize financial data

b) To identify errors in journal entries

c) To calculate the net profit

d) To ensure accuracy and maintain updated account balances

19. Which ledger account typically records the sales made by a business?

a) Cash account

b) Accounts payable

c) Sales account

d) Purchases account

20. In a T-account format, which side represents credits?

a) Left side

b) Right side

c) Top side

d) Bottom side

**THEORY**

Stock at March 1st March 2023 2,652

Accumulated depreciation 7,200

Sales 45,200

Purchases 26,200

Discount received 700

Discount allowed 560

Purchases returns 360

Sales returns 220

Rents and rates 1,525

Salaries and Wages 3,500

Stock at 31st March 2024 2,900

You are required to prepare a Trading Profit and Loss account for the year ended 31st March 2024