

Question FBQ1 : _____ is used to record goods bought on credit.

Answer: Purchase day book

Question FBQ2 : The amount entered in the purchases day book is after deducting _____

Answer: Trade discount

Question FBQ3 : At the end of each period, goods bought on credit is debited to the _____

Answer: Purchase ledger account

Question FBQ4 : Given credit purchase of N90,000 from Cadbury Nigeria Ltd; N70,000 from Cable Light Ltd and cash purchase of N80,000: the purchase ledger account is debited by

Answer: N160,000

Question FBQ5 : _____ is used to record the credit notes received from suppliers.

Answer: Purchase returns day book

Question FBQ6 : Amount entered in the purchase returns day book is derived after deducting _____

Answer: Trade discount

Question FBQ7 : At the end of each period, the total of the purchase returns day book is _____ to the purchase returns ledger account.

Answer: Credited

Question FBQ8 : The purchase returns ledger account is part of the _____

Answer: General ledger

Question FBQ9 : Amount of each credit note received is _____ to the trade payable accounts.

Answer: Debited

Question FBQ10 : Individual trade payable ledger accounts is part of the _____

Answer: Purchases ledger

Question FBQ11 : _____ is used to record correction of errors rather than transactions.

Answer: Journal

Question FBQ12 : _____ is used to record transactions that are not appropriate to any other book of prime entry.

Answer: Journal

Question FBQ13 : The nature of the entry in the _____ must be explained in a narrative.

Answer: Journal

Question FBQ14 : A two-column cash book has column for _____

Answer: Cash and bank

Question FBQ15 : _____ is a reduction given by the supplier to the buyer for paying within stipulated time.

Answer: Cash discount

Question FBQ16 : Cash discount is not deducted on the _____

Answer: Invoice

Question FBQ17 : Cash discount is calculated from the amount shown on the _____

Answer: Invoice

Question FBQ18 : Financial information from source documents are entered first into the books of _____

Answer: Prime entry

Question FBQ19 : Accounts for expenses, income, profits and losses are known as _____ account.

Answer: Nominal

Question FBQ20 : Accounts of assets are known as _____ account.

Answer: Real

Question FBQ21 : The vital rule of double-entry system of accounting is that every transaction gives rise to _____ entry.

Answer: Both debit and credit

Question FBQ22 : The actual process of placing the bookkeeping entry in each account is called _____

Answer: Posting

Question FBQ23 : Cooperative society sold on credit, on effect is that income increases and another effect is that _____ increases.

Answer: Amount owed to it

Question FBQ24 : A society paid for CDs; one effect is that cash would decrease and another effect is that _____ would decrease.

Answer: Debt

Question FBQ25 : A society bought books for resale on credit, one effect is that expenditure would increase and another effect is that _____ would increase.

Answer: Debt

Question FBQ26 : A petty cash book is used instead of a _____ account in the general ledger.

Answer: Cash ledger

Question FBQ27 : Many firms operate their petty cash on _____ system

Answer: Imprest

Question FBQ28 : The amount of petty cash float is determined by reference to the normal level of petty cash _____

Answer: Expenditure

Question FBQ29 : Given balance per bank statement as N198,000, unpresented cheque of N29,000, transfer charges of N3,000, bank commission of N8,000; determine the adjusted cash book balance.

Answer: N169,000

Question FBQ30 : _____ lodgements are either added to the statement balance or deducted from cash book balance.

Answer: Uncredited

Question FBQ31 : _____ can be deducted in the cash book but not in the bank statement.

Answer: Unpresented cheques

Question FBQ32 : _____ is the process of investigating the difference in cash book and bank statement balances.

Answer: Bank reconciliation

Question FBQ33 : _____ occur when errors cancels out each other.

Answer: Compensating errors

Question FBQ34 : _____ occurs when a wrong amount is entered on the debit and credit sides of the accounts.

Answer: Error of original entry

Question FBQ35 : When an item is entered in a wrong person's account, it is called _____

Answer: Error of commission

Question MCQ1 : Which of the following is an introductory segment of accounting?

Answer: Bookkeeping

Question MCQ2 : In business activity, the taking and giving of values is referred to as

Answer: Transactions

Question MCQ3 : Accounting equation is based on which of the following concepts?

Answer: Double-entry concept

Question MCQ4 : Given equity as N180,000 and liabilities as N120,000; determine the assets of the business.

Answer: N300,000

Question MCQ5 : Given assets as N100,000 and liabilities as N40,000; determine owner's capital.

Answer: N60,000

Question MCQ6 : Equity in business represents

Answer: Ownership interest

Question MCQ7 : The caption, 'anticipate no profit but provide for all possible losses' describes which of the conventions?

Answer: Prudence

Question MCQ8 : The cost of an asset is systematically reduced during its life span by a process called

Answer: Depreciation

Question MCQ9 : The assumption that a business is not expected to be liquidated in the foreseeable future relates to

Answer: Going concern concept

Question MCQ10 : Which of the following concepts explain the occurrence of loss not necessarily when cash is received or paid?

Answer: Accrual concept

Question MCQ11 : Which of the following concepts distinguished an owner from the business?

Answer: Entity concept

Question MCQ12 : The law requires the seller to give one of the following to the buyer for goods or services paid for in cash.

Answer: Receipt

Question MCQ13 : It is crucial to write the amount and what the payment is for on the cheque _____ in order to write up the book of account.

Answer: Stub

Question MCQ14 : Which of the following must be paid into the payee's bank account?

Answer: Cross cheque

Question MCQ15 : Which of the following instruments will be used if a seller has overcharged the buyer on the invoice?

Answer: Credit note

Question MCQ16 : A credit note may be sent for the following reasons except

Answer: Undercharged on goods supplied

Question MCQ17 : The layout and information of the debit note is the same as invoice except it shows the details of

Answer: Undercharge

Question MCQ18 : Which of the following is sent if the buyer is undercharged on the invoice?

Answer: Debit note

Question MCQ19 : Which of the following instruments is sent to inform the buyer about the amount owed for the goods bought?

Answer: Invoice

Question MCQ20 : A reduction in the amount a buyer has to pay within a given period of sale is known as

Answer: Cash discount

Question MCQ21 : A percentage reduction in the amount a buyer is charged for goods bought is known as

Answer: Trade discount

Question MCQ22 : Where payment is made or received after delivery is known as

Answer: Credit transaction

Question MCQ23 : Which of the following is about providing useful information in the financial statements to enable users make economic decisions?

Answer: Accounting

Question MCQ24 : Which of the following is a systematic method of recording the transactions of an enterprise in a book called the ledger?

Answer: Double-entry bookkeeping

Question MCQ25 : The amount entered in the sales day book is after deducting

Answer: Trade discount

Question MCQ26 : The amount entered in the sales day book is before deducting

Answer: Cash discount

Question MCQ27 : In February 2014, Tosin Enterprise sold electric wires on credit for N50,000; electric bulbs for N20,000; and sold electric wires for cash N120,000; determine the balance of the sales day book.

Answer: N70,000

Question MCQ28 : Otago Enterprise bought beverages at N200,000 in March and sold beverages on credit for N150,000 and cash N120,000; what is the amount recorded in the sales day book?

Answer: N150,000

Question MCQ29 : Where a customer has been overcharged by on an

invoice, which of the following books is used to record the credit notes sent?

Answer: Sales return day book

Question MCQ30 : Given N52,000 for four bags of rice sold at 5% trade discount, N40,000 for two bags of beans, and N120,000 at 5% trade discount for eight bags of wheat; determine the balance of the sales day book.

Answer: N203,400

Question MCQ31 : Given trade discount of 10% on beverages bought for N350,000; determine the amount entered in the purchase day book.

Answer: N315,000

Question MCQ32 : Entry is made in the purchases return day book when

Answer: Credit note is received

Question MCQ33 : The sales returns day book is written up from the copies of the

Answer: Credit notes

Question MCQ34 : There are _____ methods of bank reconciliation.

Answer: Two

Question MCQ35 : When an item is entered in the wrong class of account, it is called

Answer: Error of principle