

FBQ1: Book-keeping was introduced by _____

Answer: *Luca Pacioli*

FBQ2: The current regulation guiding the preparation of financial statements which is internationally recognised is _____

Answer: *International Financial Reporting Standards*

FBQ3: The branch of accounting that deals with the verification of the completeness and reliability of financial statements is _____

Answer: *Auditing*

FBQ4: The quality of accounting information which require that an information must be useful to the user of the information for decision making is _____

Answer: *Relevance*

FBQ5: `_____`system of accounting has made the recording, processing and reporting of accounting information easier.

Answer: *Computerised or Mechanised*

FBQ6: The broad basic assumptions underlying the periodic preparation of financial statements of business enterprises is called _____

Answer: *Accounting Concept*

FBQ7: The financial statement that shows the assets, liabilities and capital is known as _____

Answer: *Statement of Financial position*

FBQ8: The statement of profit or loss is normally prepared for _____

Answer: *For the period/year ended*

FBQ9: A tangible or intangible resource that is owned or controlled by an entity and which is expected to generate future economic benefits to the owner known as _____

Answer: *Asset*

FBQ10: The individual items recorded in the sales day book is normally taken to _____

Answer: *Sales ledger/ Debtors personal account*

FBQ11: A list of ledger account balances within a ledger at a particular instance is called _____

Answer: *Trial balance*

FBQ12: The error which occurs when a transaction is recorded with wrong amount at the beginning of the recording process is called error of _____

Answer: *Original entry*

FBQ13: Information required for the preparation of the final accounts are obtain from the _____ and additional information.

Answer: *Trial balance*

FBQ14: Accrued expense is stated under _____ in the statement of financial position.

Answer: *Current liabilities*

FBQ15: Prepaid expense is stated under _____ in the Statement of financial position.

Answer: *Current assets*

FBQ16: Carriage inward in the statement of profit or loss is added to _____

Answer: *Purchases*

FBQ17: The error committed as a result of wrong addition of figures is called

Answer: *Casting error*

FBQ18: Error involving reversal of one leg of the double entry for a transaction is called _____

Answer: *Error of Partial reversal of entry*

FBQ19: One of the books of original entry use in correction of error is _____

Answer: *Journal proper*

FBQ20: Income received in advance is stated under _____ in the statement of financial position.

Answer: *Current liabilities*

FBQ21: Financial obligations the business has in favour of outsiders is called _____

Answer: *Liabilities*

FBQ22: Assets that add value to the firm but they cannot be seen by their nature good will, trade mark etc are called _____

Answer: *Intangible assets*

FBQ23: Receivable that is proved to be uncollectable and written off due to one reason or the other is called _____

Answer: *Bad debt*

FBQ24: Increase in provision for bad debt is regarded as an _____

Answer: *Expense*

FBQ25: Amount set aside out of profit earned by a company and constitute part of shareholders' fund is called _____

Answer: *Reserve*

FBQ26: A summary of customers or suppliers ledger in total is called _____

Answer: *Control Account*

FBQ27: The process of making the balance on the bank column of the cash book to agree with the balance on the bank statement received from the bank is called _____

Answer: *Bank reconciliation*

FBQ28: A debit balance on the bank statement indicates an _____

Answer: *Overdraft*

FBQ29: A unit of product or service in relation to which costs are ascertained is called _____

Answer: *Cost unit*

FBQ30: Costs which can be traced directly to a job, batch, product or service is called _____

Answer: *Direct costs*

FBQ31: The combination of indirect materials, indirect labour and indirect expenses gives _____

Answer: *Overheads*

FBQ32: Royalties paid for the use of a copy right is an example of _____

Answer: *Direct expenses*

FBQ33: The excess of Sales over variable cost is called _____

Answer: *Contribution*

FBQ34: Under C-V-P one of the assumptions is that all costs can be resolved into

Answer: *Fixed and Variable elements*

FBQ35: The two most common control accounts are

Answer: *Debtors (Sale ledger) control accounts and Creditors (Purchases ledger) control account*

Multiple Choice Questions (MCQs):

MCQ1: The most liquid asset in the statement of financial position is _____

Answer: Stocks

MCQ2: Items of stocks taken by the proprietor for personal use is deducted as _____ in the Statement of Financial position

Answer: Consumption

MCQ3: An unpresented cheque for a period of six months and above is regarded as _____

Answer: Stale cheque

MCQ4: What is the double entry for goods purchased with cash?

Answer: Debit Cash A/c and Credit purchases A/c

MCQ5: The common name given to Statement of profit or loss and other comprehensive income and the Statement of Financial position is _____

Answer: Assets account

MCQ6: Carriage outward is shown as an expense _____

Answer: Trial balance

MCQ7: Accounts receivables is classified as _____

Answer: Intangible asset

MCQ8: Purchases returns book records goods returned to _____

Answer: Dealer

MCQ9: A provision for doubtful debts is _____ from the receivables in the statement of financial position.

Answer: Deducted

MCQ10: The transfer of goods and services from a seller to a buyer without immediate payment by the buyer is _____

Answer: Purchases

MCQ11: The sum of prime cost and production overheads is known as _____

Answer: Production cost

MCQ12: The total of sales day book is transfer to _____ side of sales a/c

Answer: Purchases

MCQ13: Carriage inward is _____ Purchases in the statement of profit or loss.

Answer: Deducted from

MCQ14: The assumption that a business will continue to operate for an indefinite period of time is based on _____ concept

Answer: Current liabilities

MCQ15: The double entry principle states that every transaction must be recorded _____ in different accounts.

Answer: Twice

MCQ16: Under inventory valuation, the method which the goods sold are said to

have come from the last lot of goods received is called_____

Answer: First in First out

MCQ17: A document showing details of goods sold and the prices of those goods is called_____

Answer: Cheque book

MCQ18: An allowance designed to induce customers to settle their accounts promptly is called_____

Answer: Interest paid

MCQ19: The concept that distinguishes income, costs, assets and liabilities of a business from that of the owner is the_____

Answer: Money measurement concept

MCQ20: Income received in arrears is stated under_____ in the statement of financial position.

Answer: Current assets

MCQ21: A document used when goods are returned by buyers or refunds made to them when they are overcharged is called _____

Answer: Liability report

MCQ22: An asset that is neither current assets nor non-current assets and not intangible assets is called _____

Answer: Intangible asset

MCQ23: If closing inventory is over - stated, the gross profit will be _____

Answer: Will remain the same

MCQ24: The assets of Osiguba Enterprises are worth N1,040,125, capital is N500,000 and liabilities are _____

Answer: N605,896

MCQ25: The difference between current assets and current liabilities is called_____

Answer: Reserve

MCQ26: A document sent to a supplier showing allowances to be obtained for unsatisfactory goods called _____

Answer: Control Note

MCQ27: Ledger can be classified mainly into_____ ledgers

Answer: Real and intangible

MCQ28: The brief explanation made for every entry in the journal without which the origin of and reason for the entry might not be readily apparent is known technically as_____

Answer: Note

MCQ29: A Cash Book that has columns for Discounts, Cash and Bank is referred to as a_____

Answer: Two column cash book

MCQ30: Under IFRS Balance sheet is called_____

Answer: Statement of financial position

MCQ31: Another name for the general ledger is_____

Answer: Private ledger

MCQ32: Debtors accounts are contained in _____

Answer: Sales ledger

MCQ33: What is the full meaning of the acronym, IFRS in relation to accounting_

Answer: Income Financial Receipts Standards

MCQ34: What is the meaning of CVP analysis?

Answer: Cost, Volume, Price analysis

MCQ35: The process of adding up all the respective debit and credit entries by a book-keeper and deducting one total from the other to arrive at the net balance is referred to as _____.

Answer: Opening and closing accounts