

- 1** Which one of the following is **not** a job opportunity for someone who has studied accounts?
- A** Accounts Clerk
 - B** Auditor
 - C** Bursar
 - D** Office Clerk
- 2** ... is the accounting concept that makes capital to be treated as a liability to the business.
- A** Business entity
 - B** Consistency
 - C** Going concern
 - D** Objectivity
- 3** Which of the following are cash transactions?
- (i)** Bought goods, paying by cheque a month later.
 - (ii)** Sold goods for cash.
 - (iii)** Bought goods by cheque.
 - (iv)** Sold goods, receiving cash a month later.
- A** (i) and (ii)
 - B** (ii) and (iii)
 - C** (iii) and (iv)
 - D** (i) and (iv)
- 4** Explain the term 'business transaction'.
- A** A business meeting for directions
 - B** An exchange of documents
 - C** An exchange of goods and services for money
 - D** The recording of information in the books of accounts
- 5** Which of the following are source documents for cash transactions?
- (i)** Receipts
 - (ii)** Tickets
 - (iii)** Invoices
 - (iv)** Credit notes
- A** (i) and (iv)
 - B** (ii) and (iii)
 - C** (iii) and (iv)
 - D** (i) and (ii)
- 6** Which one of the following is a subsidiary book where capital at start is calculated from? ... Journal.
- A** Cash
 - B** General
 - C** Purchases
 - D** Sales

- 7 What is the role of double entry in accounts? To ...
- A confirm the principle of duality.
 - B confirm the principle of single entry.
 - C show all transactions.
 - D track movement of value.
- 8 Which one of the following is the correct class of accounts for capital?
- A Nominal
 - B Personal
 - C Real
 - D Subsidiary
- 9 The ledger is the main book of account where ... are completed.
- A double entries
 - B calculations
 - C single entries
 - D transactions
- 10 The ledger in which impersonal accounts are kept is known as ... ledger.
- A public
 - B private
 - C personal
 - D nominal
- 11 A Trial Balance is prepared to check the ...
- A accuracy of the business.
 - B arithmetical accuracy of the business.
 - C financial position of a business.
 - D profitability of a business.
- 12 The following Trial Balance was prepared by an incompetent book-keeper. Trial Balance as at 30th June, 2020.

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| | DR (K) | CR (K) |
|-------------------|----------------------------------|------------|
| Opening stock | | 100,000.00 |
| Purchases | 500,000.00 ✓ | |
| Insurance | 50,000.00 ✓ | |
| Drawings | 220,000.00 220,000.00 | |
| Purchases returns | 150,000.00 150,000.00 | |
| Sales | 800,000.00 800,000.00 | |
| Sales returns | | 80,000.00 |
| | 1,500,000.00 | 400,000.00 |

Redraft the Trial Balance and show the correct totals.

| | DR (K) | | CR (K) |
|---|--------------|--|--------------|
| A | 300,000.00 | | 300,000.00 |
| B | 730,000.00 | | 730,000.00 |
| C | 950,000.00 | | 950,000.00 |
| D | 1,380,000.00 | | 1,380,000.00 |

- 13 How is net loss treated in the statement of financial position?
- A Added to capital
 - B Added to liabilities
 - C Subtracted from capital
 - D Subtracted from liabilities
- 14 The Profit and Loss Account contains the following items **except** ...
- A carriage inwards.
 - B motor expenses.
 - C rent.
 - D salaries.
- 15 Calculate the drawings figure, given opening capital K3,200,000.00 net loss K670,000.00 and closing capital K2,000,000.00.
- A K3,870,000.00
 - B K2,530,000.00
 - C K1,870,000.00
 - D K 530,000.00
- 16 A firm bought a machine for K32,000.00. It was to be depreciated at the rate of 25% using the reducing balance method. What would be the remaining book value after 2 years?
- A K16,000.00
 - B K18,000.00
 - C K24,000.00
 - D K36,000.00
- 17 Which of these would appear as a current liability in the Balance Sheet?
- A Commission received accrued
 - B Rent payable due
 - C Rent receivable due
 - D Stationery prepaid
- 18 A debit balance on the Rates Account after the transfer to Profit and Loss Account indicates ...
- A a liability and a prepayment.
 - B a liability and an accrual.
 - C an asset and a prepayment.
 - D an asset and an accrual.
- 19 Which of the following errors would be shown by the Trial Balance?
- A Credit purchases from S. Pule completely omitted from the accounts
 - B Cheque received from G. Lubasi debited to his account
 - C Credit sales to F. Mataa entered in G.Mataa's account
 - D Repairs to van debited to van account

- 20** Which of the following error affects the balancing of the Trial Balance?
- A** Addition
B Commission
C Omission
D Principle
- 21** A payment of wages by cash K3,000.00 has been entered only in the Wages Account. Show how the error would be corrected.

| | Debit | Credit |
|----------|------------------|------------------|
| A | Wages account | Suspense account |
| B | Suspense account | Wages account |
| C | Suspense account | Cash account |
| D | Cash account | Suspense account |

- 22** A bank reconciliation starts with the debit balance shown in the Cash Book. How are uncredited lodgements and unpresented cheques shown in the Bank Reconciliation Statement?

| | Uncredited lodgements | Unpresented cheques |
|----------|------------------------------|----------------------------|
| A | Added | Added |
| B | Added | Deducted |
| C | Deducted | Added |
| D | Deducted | Deducted |

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- 23** Which of the following adjustment affects a Revised Cash Book?
- A** Unpresented cheques
B Uncredited cheques
C Delayed deposits
D Credit transfer
- 24** The total amount of money received from debtors is ... Account.
- A** debited to Sales
B debited to Sales Ledger Control
C credited to Sales
D credited to Sales Ledger Control
- 25** What is the purpose of Control Accounts? To calculate total ...
- A** accruals and prepayments.
B debtors and creditors.
C purchases and sales.
D receipts and payments.

- 26 Which one of the following will appear in a Receipts and Payments Account?
- A Depreciation of fixed assets
 - B Opening bank balance
 - C Refreshment inventory
 - D Subscription accrued at year end
- 27 Kulukulu Netball Club shows the following:-
Equipment at end K350,000.00
New equipment bought during the year K100,000.00
Equipment at start K300,000.00
- What amount will be charged to the Income and Expenditure Account as depreciation?
- A K250,000.00
 - B K150,000.00
 - C K100,000.00
 - D K 50,000.00
- 28 Cash received from the sale of office equipment is classified as ...
- A capital expenditure.
 - B capital receipt.
 - C revenue expenditure.
 - D revenue receipt.
- 29 In the business of Malasha, who owns a computer store, which of the following is **not** capital expenditure?
- A Petrol for motor van
 - B Purchase of motor van
 - C Purchase of shop fixture
 - D Software updated
- 30 Which of the following is used in purchases calculation for single entry records?
- A Bad debts
 - B Discount allowed
 - C Discount received
 - D Returns inwards
- 31 Which of the following is an advantage of single entry over double entry?
- A Acceptable for tax purposes
 - B Easy preparation of trial balance
 - C Easy to ascertain financial position
 - D No accuracy is required
- 32 How is interest on a loan to a partner from the partnership business recorded in books? ... Account.
- A Credited to the Current
 - B Credited to the Loan
 - C Debited to the Capital
 - D Debited to the Loan

- 33** Which of the following account in partnership is prepared for the distribution of profits?
... Account.
- A** Trading
 - B** Current
 - C** Capital
 - D** Appropriation
- 34** Work in progress is the cost of ...
- A** partly finished goods. ,
 - B** opening stock.
 - C** fully finished goods.
 - D** closing stock.
- 35** A manufacturing firm extracts the following information from its books. Calculate the prime cost. Direct materials K56,000.00, direct labour K44,000.00 and factory overheads K16,000.00.
- A** K 72,000.00
 - B** K 84,000.00
 - C** K100,000.00
 - D** K116,000.00
- 36** In Manufacturing Account, a cost that cannot easily be traced to the item being manufactured is called ... cost.
- A** manufacturing
 - B** prime
 - C** indirect
 - D** direct
- 37** Code of ethics for professional accountants require that an accountant should ...
- A** act outside what is considered morally right in all professional business relationships.
 - B** be straightforward and honest in all professional business relationships.
 - C** take advantage of another without their knowledge or concern.
 - D** not be straightforward and honest in all professional dealings.
- 38** Which of the following is an ethical practice?
- A** Corruption
 - B** Embezzlement
 - C** Fraud
 - D** Integrity
- 39** The ratio that measures the firm's ability to pay its creditors when they fall due is ... Ratio.
- A** Creditor
 - B** Current
 - C** Debtor
 - D** Quick
- 40** What should be included in the calculation of the Liquid Asset Ratio?
- A** Loan
 - B** Mortgage
 - C** Payables
 - D** Stock

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