ACC102 List of Questions

## Latex formatted questions may not properly render

Q1 The following transactions relating to debtors were extracted from the books of a company for the month of January 2014: Balance as at 1st January 2014 N725,000 Cash collected during the month N375,000 Bad Debts written off N25,000 Balance as at 31st January 2014 N650,000 Total credit sales during the month of January, 2014 were:

N325,000 >>>>>>>>

N975,000

N475,000

N350,000

Q2 Valuing inventory at lower of cost or Net Realizable Value (NRV) is an application of the accounting concept of:

Going concern

Consistency

Matching

Prudence >>>>>>>>

Q3 Which one of the following is a qualitative characteristic of financial statements?

Going concern

Accrual basis

Relevance >>>>>>>>

All of the above

Q4 Unpaid expenses relating to an accounting period are treated as:

Pre-payments

Accrued expenses >>>>>>>>

Other expenses

Advances

Q5 Marina purchased goods on a credit basis from Jamoh for N100,000 and returned half of the goods to Jamoh subsequently. Which one of the following documents is issued by Jamoh to record the return of goods?

Invoice

Credit note >>>>>>>>

Debit note

Remittance advice

Q6 The IASB's Framework identifies reliability as one of the four qualitative characteristics of financial information. Which one of the following is not an element of reliability?

Information should be timely >>>>>>>>

Information should be free from material error

Information should be free from bias

Information must be complete

Q7 The International Accounting Standards Board's (IASB) Framework for the Preparation and Presentation of Financial Statements (Framework) is the IASB's conceptual framework. Which one of the following does the Framework not cover?

The format of financial statements >>>>>>>>

The objective of financial statements

Concepts of capital maintenance

The elements of financial statements

Q8 Where, in a company's financial statements complying with International accounting standards, should you find dividends paid? 1. Income statement 2. Balance sheet 3. Cash flow statement 4. Statement of changes in equity.

1 and 3

2 and 3

1 and 4

3 and 4 >>>>>>>>

Q9 Which of the following statements about bank reconciliations are correct? 1. In preparing a bank reconciliation, unpresented cheques must be deducted from a balance of cash at bank shown 2.A cheque from a customer paid into the bank but dishonoured must be corrected by making a debit entry in the cash book. 3. An error by the bank must be corrected by an entry in the cash book. 4. An overdraft is a debit balance in the bank statement.

1 and 3

2 and 3

1 and 4 >>>>>>>>

2 and 4

Q10 Which of the following statements are correct? 1. A company's authorised share capital must be included in its published balance sheet as part of shareholders funds. 2.If a company makes a bonus issue of ordinary shares, the total shareholders interest (share capital plus reserves) remains unchanged 3. A company's statement of changes in equity must include the proceeds of any share issue during the period. 4. A company must disclose its significant accounting policies by note to its financial statements.

1 and 2 only

1 and 3 only

3 and 4 only >>>>>>>>

2, 3 and 4

Q11 Consumer price index (CPI) or ...... Is on very important means determine the degree of change in price level (inflation)

retail price index >>>>>>>>

retail tax price

general consumer price assessment

wholesaler tax price

Q12 An accounting concept which separated the owner of the business and the business is known as:

entity concept >>>>>>>>

going concept

consistency concept

dual concept

Q13 ..... occurs when certain amount of money that used to buy certain quantity of goods previously, can now only purchase fewer quantity of the same goods

inflation >>>>>>>>

deflation

amortization

capitalization

Q14 all these are ,means of generating income of the building societies except

interest on mortgage

returns on investment

rent received

motor vehicle instruction >>>>>>>>

Q15 the primary aim of establishing a liability society is

to receive fund form its member in area

to received fund from its member and advance part of the fund to member of the society >>>>>>>>

to charge fund to member

to promote internal fund allocation

Q16 ..... are formed registration with the chief register of friend societies

building deposit

building societies >>>>>>>>

cooperative societies

B & C

Q17 shareholders funds compose of all except

share capital

retained profit

bill discounted >>>>>>>>

general revenue

Q18 Example of federal government bill purchase on the open market

treasury bill >>>>>>>>

treasure exchanged

bill transfer

deposit

Q19 all the following are charge to appropriation account excepts

dividend

retained profit

taxation >>>>>>>>

general revenue

Q20 All the following are income except

foreign exchange earnings

depreciation >>>>>>>>

commission

transfer charges

Q21 ...... are business entitle whose main area of operation are to accept cash deposit from the public and other perform other prominent function

cashier

hirer

vendor

banks

Q22 Normal gross profit percentage is calculate as

normal profit + insured charges/ turnover >>>>>>>>

normal profit/turnover

normal profit/turnover

normal profit/insured charges

Q23 which of the following is not necessary for the purpose of compiling average clause

amount insured

turnover

retrocession

gross profit >>>>>>>>

Q24 which of these is not a terminology used in insurance claims accounting

arbitrage

cost of working

standard turnover

consequential loss >>>>>>>>

Q25 ..... Is a period of dislocation for which the insurance was effected and is normally fixed in the policy

free period

change period

period of indemnity >>>>>>>>

A & B

Q26 which of the two main classes of lease is a non cancellable lease?

finance lease >>>>>>>>

capital lease

unfinanced lease

A&C

Q27 which of the following is a finance lease arrangement

leveraged lease

sales type lease

capital lease

opening lease >>>>>>>>

Q28 periodic payments made by the lesser to the lessor are called

rent

interest

cash price

lease payment >>>>>>>>

Q29 straight line is calculated as follows

finance charge

distribution cost

finance charge /duration of lease >>>>>>>>

installment price / depreciation

Q30 all these are treatment of finance charges except

actuarial method

straight line method

reducing balance method >>>>>>>>

sum of the year digit

Q31 ..... Is a contractual agreement between an owner, the lessor and another party the lessee which express the right to use the leased asset for an agreed period of time in return for a consideration

lessor

hire purchase

a lease >>>>>>>>

vendor

Q32 According to SAS II, treatment and disclosure of lease transaction in the book of both

vendor and hirer

leasor and lessee >>>>>>>>

hire purchase and sales

C & A

Q33 Valuation of livestock and manorial right are carried out by

an accountancy

an auditor

farm experts >>>>>>>>

production sector

Q34 Large farms take insurance cover for loss of livestock due to

time consuming

infection or loss of cattle as a result of straying >>>>>>>>

infection or loss of sales in reduction

A & C

Q35 one major problem with the determination of a plantation is

plantation does not commence early but the last day

plantation does not usually start to produce until after a long gestation period >>>>>>>>

plantation discourage of large scale production

plantation takes much profit before harvest

Q36 In using appraised value method which of the following factor should be considered?

current market value mutuality factors and the marketability of livestock >>>>>>>>

Arable stock value and time of the stock

current market value &time value for money

Cost method &prudence method.

Q37 Cost method means �?�.

adding all cost of every asset and input together

A & C

aggregate all cost to date on each class of livestock >>>>>>>>

1. A & B

Q38 Which of the method can be used to value Arable stock?

it should be valued at cost or net realizable value >>>>>>>>

arable stock should be value at average stock

arable stock must be valued at FIFO

arable stock should be value at LIFO

Q39 What is one approach to valuation of stock of live stock?

cost approach, net realizable value >>>>>>>>

cost investment method and cost reduction

appraisal devaluation method

A & B

Q40 Which of the following expenses is not exclusive to farm accounting?

fertilizer expenses

dairy expenses

vehicle repair and maintenance expenses >>>>>>>>

feed expenses

Q41 Which of the following account are prepared by farmer's

partnership account and joint account

trading, profit and loss account and balance sheet >>>>>>>>

control account and value added account

manufacturing and departmental stock account

Q42 What is the formula for eliminating realized profit from goods sent to branch at cost plus 25%

2.5% of realizable cost

2.5% of value of sold stock

25/125 of value sold stock at hand

25/125x value of unsold stock >>>>>>>>

Q43 What did you understand by semi autonomous branch in the context of branch accounting

it operate independent at every branch and need office

it operate almost as a separate entity independent of ite head office >>>>>>>>

semi autonomous branch operate departmental of the branch and head office

A & B

Q44 When is the temporal method applicable for translation of the financial statement of foreign branches?

it is usually applicable when foreign branch is periodic

it is usually applicable when foreign branch is autonomous

it is usually applicable when foreign branch is non autonomous >>>>>>>>

when goods are over sent

Q45 State how revenue and expense are translated under the closing rate method

revenue and expenses are translated of periodic rate value

revenue and expenses are translated at closing period

revenue and expenses are translated at average rate for the period >>>>>>>>

they are charge at average appropriate price value

Q46 Some of the reasons why branch current account may not agree with head office current account are:

goods sent is usually overcast

goods sent to branch account is some time under cast

cash in transit and stock in transit >>>>>>>>

cash and stock are sometime diminishing of decreasing

Q47 Transaction between the head office and independent branches are received in .....

special ledger general

current account >>>>>>>>

goods sent account

branch adjustment account

Q48 Head office branch account is a mirror of which account?

branch stock to branch account

branch current account >>>>>>>>

goods sent to branch account

branch doubt account

Q49 One difference between an independent and dependent branch is

head office parents for dependent branches

accounting records and books are kept by the independent out branches >>>>>>>>

independent branches are allowed control over sales

B & A

Q50 Sales of goods at involved price between head office and branch will give rise to one of the following if the items are not sold to an external party, at the end of the period.

unrealized profit >>>>>>>>

profit to head office

foreign currency

increase in turnover

Q51 Which of the following method of translation would you recommend for an independent foreign branch

temporal method

mortuary method

current method

closing rate method >>>>>>>>

Q52 The liquidator's of Adebayo limited has settle all creditor of the company except three owed N150,000. At the commencement of the liquidation, the company�??s share capital was as follows: 1,000,000 10% preference share of N1 each 85 kobo paid=850. 6,000,000 ordinary share of 50 kobo each, 30 kobo paid=1800. \* Calculate the amount of call on refund due to the preference shareholders

150,000 refund >>>>>>>>

N150, 000 call

N50 call

N300,000 call

Q53 The liquidator�??s of Adebayo limited has settle all creditor of the company except three owed N150,000. At the commencement of the liquidation, the company�??s share capital was as follows: 1,000,000 10% preference share of N1 each 85 kobo paid=850. 6,000,000 ordinary share of 50 kobo each, 30 kobo paid=1800. \*Assume that the preference share rank prior to the ordinary share. Calculate the call per ordinary shares

5 kobo >>>>>>>>

35 kobo

20 kobo

15 kobo

Q54 The liquidator�??s of Adebayo limited has settle all creditor of the company except three owed N150,000. At the commencement of the liquidation, the company�??s share capital was as follows: 1,000,000 10% preference share of N1 each 85 kobo paid=850. 6,000,000 ordinary share of 50 kobo each, 30 kobo paid=1800. \*If the preference share rank prior to the ordinary shares, calculate the amount of call to be made by the liquidator

N150,000

N1,000,000 >>>>>>>>

450000

1200000

Q55 The effect of bankruptcy on the private estate of the bankrupt is

the private estate will be to pay the bankrupt's debt to the extent the business asset are inadequate to settle the settle it >>>>>>>>

only the accrual debts

the debt will be shared

no debt will be pay back

Q56 A company is winding up if it is

unable to recover its asset

unable to account his Goodwill

unable to pay up his debt >>>>>>>>

balance his account

Q57 The word liquidation means ....

winding up >>>>>>>>

appreciation of a company

recovery a company

re-banking a company

Q58 When a partnership asset has been pledged for the personal debt of a partner, the creditor would claim as �?��?��?�. and creditor in the �?��?��?��?� estate

secured creditor and joint estate >>>>>>>>

secured creditor and royal value

unsecured creditor and joint estate

partnership creditor and partnership estate

Q59 Which of the following would contribute to deficiency in liquidation of a company (i) discount on accrued liabilities (ii) liquidation fees (iii) preference divided waved by investors (iv) formation expense

I & II

II & IV >>>>>>>>

I, II & IV

I, II, III

Q60 Which of the following is a feature of the statement of affairs prepared when a company is being liquidated?

preferential creditors are paid before debenture with floating securities >>>>>>>>

the shareholders fund is revalued

asset on recorded at book values

A & C

Q61 One use of fire year financial summary is

it may be added to forecast future performance >>>>>>>>

it provides accurate loss up to date

it increase stock appreciation

it reduce audit up to date

Q62 All the following are excepted to be found in published financial statement of a publicity quoted company except

cash flow statement

value added statement >>>>>>>>

director summary

the expropriation of assets

Q63 Which of the following item is found in the company's profit and loss account is described as exceptional item

substantial loss sustain as a result of robbery attack >>>>>>>>

writing off of Goodwill

discontinuance of a significance put of a business

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Q64 Directors report in the financial statement need not disclose

forecast future profitability >>>>>>>>

principal activities of the company

result of the company for the period

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Q65 Which of the following should not be classified on a current liability in a financial statement?

provision for staff gratuity >>>>>>>>

trade creditor and accruals

band overdraft

dividend payable

Q66 The generally accepted accounting principle, which should be stated in a company's accounting polices as it related to inventory, is that stock should be valve at

lower of cost and net realizable valve >>>>>>>>

cost

realization cost

replacement cost

Q67 In accordance with section 334 of CAMA, cap c20, LFN 2004 the financial statement of a private company need not includes

auditors report

audit committee report >>>>>>>>

debtor report

note on the account

Q68 Which of these method of depreciation is used by company that make use of loosing tools

straight line method

reducing balance method

revaluation method >>>>>>>>

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Q69 According to IAS 16, depreciation means

systematic allocation of cost over the estimated useful life >>>>>>>>

systematic increase in asset and reduction of liabilities

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Q70 Even, when the bad debts has been eliminated the accounts..

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Balance sheet as at 31st Dec 2014 >>>>>>>>

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it is recognized on advanced basis

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Q75 Exceptional item

falls within the ordinary activities >>>>>>>>

falls within exceptional

exceptional item are excepted from tax

) it is deducted from profit after tax

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