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

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 5 kobo >>>>>>>>

 35 kobo

 20 kobo

 15 kobo

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 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

 the expropriation of assets

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?

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 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 >>>>>>>>

 machine hour method

Q69 According to IAS 16, depreciation means

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

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Q72 A balance sheet of a company is prepared as follows.

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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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