Question FBQ1 : ............... a chronological record of the transactions of a business entity  
Answer: Journal  
  
Question FBQ2 : Items that are normal to activity of an enterprise and abnormal as a result of their infrequency of occurrence and size are known as..........................  
Answer: Exceptional items  
  
Question FBQ3 : A method of keeping accounts whereby revenue and expenses are recorded in the books of account when received and paid without regard to period to which they apply is called....................  
Answer: Cash basis accounting  
  
Question FBQ4 : The VAT which is charged by suppliers on goods purchased is termed....................  
Answer: Input tax  
  
Question FBQ5 : In what way should users be able to compare an entity’s financial statement?  
Answer: Through time to identify trends (Trends)  
  
Question FBQ6 : The accounting measure used to match tax effect of transactions with their accounting impact is termed.......................  
Answer: Deferred tax  
  
Question FBQ7 : What term describes a possible obligation that arises from past event, where the existence of the obligation will be confirmed only in the future, with the occurrence or non-occurrence of an event that is not wholly within the control of the enterprise?  
Answer: Contingent liability  
  
Question FBQ8 : The difference between the monetary value of output and input of goods and services attributed to a business is called..........................  
Answer: Value added  
  
Question FBQ9 : The financial statement that presents the assets, liabilities and equity interest of an entity at a point in time is called ………………  
Answer: Balance sheet  
  
Question FBQ10 : For every debit‟ entry there is a corresponding credit entry. This principle represents ………………  
Answer: Double Entry Principle  
  
Question FBQ11 : The accounts of credit suppliers are contained in the ........................ ledger  
Answer: Creditors  
  
Question FBQ12 : Credit sales are recorded in …………………..  
Answer: Sales Day Book  
  
Question FBQ13 : State the journal entry to record a motor vehicle of N4,500,000 purchased on credit from SCOA motors.  
Answer: Dr. Motor vehicle Account  
  
Question FBQ14 : The source document that is used to write up the Sales Day Book is …………………  
Answer: Credit Sales Invoice  
  
Question FBQ15 : The relevant concept that justifies the charging to expense the cost of small waste basket even though the basket has useful life of several years is known as……………………  
Answer: Materiality Concept  
  
Question FBQ16 : The excess of current assets over current liabilities is ........................  
Answer: Working Capital  
  
Question FBQ17 : An amount spent in acquiring or adding value to a fixed asset/non-current asset is ……………………..  
Answer: Capital Expenditure  
  
Question FBQ18 : A statement to agree the difference between the Cash Book and the Bank Statement balance is called ……………………..  
Answer: Bank Reconciliation Statement  
  
Question FBQ19 : The amount of wages paid to an employee after making appropriate deductions is referred to as …………………  
Answer: Net Pay  
  
Question FBQ20 : A piece of software that has become popular as an Accountant’s tool is referred to as .......................  
Answer: Excel  
  
Question FBQ21 : A Motor Van costs N100,000, Furniture N5,000, Creditors N25,000, what is the Loan amount. If Loan is 30% of the creditor’s figure  
Answer: N7,500  
  
Question FBQ22 : A Motor Van costs N100,000, Furniture N5,000, Creditors N25,000,. What is the capital account balance?  
Answer: N72,500  
  
Question FBQ23 : The error made where the original figure is incorrect, yet double entry is still observed using the same figure is  
Answer: Error of Original Entry  
  
Question FBQ24 : The process of transferring the debit and credit items recorded in each journal to the relevant accounts in the ledger is called …………………  
Answer: Posting  
  
Question FBQ25 : Electricity bill of N10,000 incurred during the year was not charged as an expense for that year. The error committed is ....................  
Answer: Error of Omission  
  
Question FBQ26 : Salaries paid in the month was N26,152. Outstanding balance at the end of the month was N848. The salaries include an amount of N3,600 paid to the owner. What is the amount to be charged against the Profit and Loss Account for the month?  
Answer: N23,400  
  
Question FBQ27 : Goldspring Enterprises had a prepaid insurance of L$6,000 at the beginning of 2010. During the year, an insurance premium of L$32,000 was paid, while the prepaid insurance stood at L$4,000. What is the insurance expense for 2010?  
Answer: $34,000  
  
Question FBQ28 : The costs incurred in the normal course of business to generate revenue is called........................  
Answer: Expenses  
  
Question FBQ29 : The idea that an accounting entity will not be wound up in the foreseeable future is ……………..……  
Answer: Going Concern Concept  
  
Question FBQ30 : The document that is filled/completed to support cash lodgment in a bank is called …………………  
Answer: Paying-in-Slip  
  
Question FBQ31 : Records of transactions used as the basis for recording accounting entries, such as invoices, cheque stubs and similar business papers are called ………………  
Answer: Source Documents  
  
Question FBQ32 : The excess of Gross Profit over operating expenses is ……………………  
Answer: Net Profit  
  
Question FBQ33 : A cheque issued and which remains with the payee for more than six months becomes a ………………….. cheque.  
Answer: Stale  
  
Question FBQ34 : Extended Trial Balance is an alternative way of arriving at the figures to be included in the ………………………  
Answer: Financial statements  
  
Question FBQ35 : The excess of current assets over current liabilities is known as ………………..  
Answer: Working capital  
  
Question FBQ36 : Which account is to be credited with the cash received in respect of trade receivables?  
Answer: Sales ledger control account  
  
Question FBQ37 : The amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses is called  
Answer: Carrying amount  
  
Question FBQ38 : The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements are called ………………  
Answer: Accounting policies  
  
Question FBQ39 : Babu Enterprises exported GH¢1,500,000 goods to a customer in Togo. What is the VAT amount to be added to the invoice value of the goods, if the VAT rate is 5%  
Answer: NO VAT  
  
Question FBQ40 : What is the gross profit on sales worth GH¢240,000, if gross profit is 331/3% on cost of goods sold?  
Answer: GH¢60,000  
  
Question FBQ41 : When the closing capital of an enterprise is more than the opening capital. The difference is……………  
Answer: Net Profit  
  
Question FBQ42 : The amount at which an asset is recognized after deducting any accumulated depreciation and impairment losses is called………………  
Answer: Carrying Amount  
  
Question FBQ43 : Given that prepayment b/f is N2,200, Cash paid is N2,160 and accrual c/f is N2,600. What is the amount charged as electricity expenses in the statement of profit and loss for the year ended 30 June, 2018  
Answer: N6,960  
  
Question FBQ44 : State reason why Asset Register balance may not agree with non-current asset balance in the ledger  
Answer: Assets stolen or damaged  
  
Question FBQ45 : The amount by which the carrying amount of an asset or a cash generating unit exceeds the recoverable amount is known as.........................  
Answer: Direct and Indirect method  
  
Question FBQ46 : In the statement of comprehensive income, expenses can be classified according to their......................... and nature basis.  
Answer: Impairment Loss  
  
Question FBQ47 : The incidence of VAT/GST is borne by …………………  
Answer: Final consumer of goods  
  
Question FBQ48 : What is the gross profit on sales worth N400,000, if the gross profit is 25% on cost of goods sold?  
Answer: N80,000  
  
Question FBQ49 : State the depreciation method which is based on the passage of time.  
Answer: Straight line  
  
Question FBQ50 : The systematic expensing of the original cost of natural resources over time is called depletion while the systematic expensing of the original cost of intangible assets over time is referred to as…………………..  
Answer: Amortization  
  
Question MCQ1 :

A company’s income statement for the year ended December 31, 2013 showed a net profit of N6,500,000. It was later found that N1,800,000 paid for maintenance of motor vehicles had been debited to the motor vehicles at cost and had been depreciated as if it was a new motor vehicle. If it is the company’s policy to depreciate motor vehicles at 25% per year on straight line basis with a full year charge in the year of acquisition, what would be the net profit after adjusting for this error?  
Answer: N5,150,000  
  
Question MCQ2 : A business has opening payables of Le 75,000 and closing payables of Le 65,000 and received a discount of Le 3,000. Cash paid to suppliers was Le 65,000. What is the figure for purchases?  
Answer: Le 58,000  
  
Question MCQ3 : Given a selling price of a product at N175,000 and a gross profit mark-up of 40%. Calculate the cost price  
Answer: N125,000  
  
Question MCQ4 : The method of depreciation selected should be the ONE most appropriate to the type of asset and its use in the business. The principal methods used include the following EXCEPT  
Answer: Different cost method  
  
Question MCQ5 : Given that inventory at start is N400,000, inventory at close is N600,000, Purchases is N12,000,000, Turnover is N15,000,000. Determine the cost of goods sold  
Answer: N11,800,000  
  
Question MCQ6 : Given that inventory at start is N400,000, inventory at close is 600,000, Purchases is N12,000,000, Turnover is N15,000,000.The value of goods available for sale is  
Answer: N12,400,000  
  
Question MCQ7 : Given that inventory at start is N400,000, inventory at close is 600,000, Purchases is N12,000,000, Turnover is N15,000,000.The gross profit is  
Answer: N3,200,000  
  
Question MCQ8 : Which of the following is NOT an element of financial statement?  
Answer: Equity  
  
Question MCQ9 : The following form part of the financial statements EXCEPT  
Answer: Directors‟ Report  
  
Question MCQ10 : Flamingo bought a tractor for his farm at a cost of GH¢2,000,000 and debited the amount to Farm Appliances Expenses Account and credited the bank account. Flamingo had committed an error of  
Answer: Principle  
  
Question MCQ11 : The Microsoft Office Application include the following EXCEPT  
Answer: Sage  
  
Question MCQ12 : The original cost of an equipment was L$150,000. It was revalued upwards to L$200,000 two years ago. The value has now fallen to L$130,000. The decrease in value of the equipment will amount to  
Answer: L$70,000  
  
Question MCQ13 : Which of the following is NOT an example of Financial Liability in the Statement of Financial Position?  
Answer: Trade receivables  
  
Question MCQ14 : Which of the following would result from an increase in the provision for doubtful debts?  
Answer: A decrease in net profit  
  
Question MCQ15 : Which of the following would result from an increase in the provision for doubtful debts?  
Answer: A decrease in gross profit  
  
Question MCQ16 : Which of the following is a Long-term liability?  
Answer: Short-term Payables  
  
Question MCQ17 : The Microsoft Office Application used for calculations is called  
Answer: Excel  
  
Question MCQ18 : Given that account receivable at start is N205,000, account receivable at close is N320,000, provision for doubtful debt b/f is N30,750, Sales is N1,318,600. Provision for doubtful debts is to be 15% of receivable. What is the amount to be provided for debt for the year?  
Answer: N17,250  
  
Question MCQ19 : Given that account receivable at start is N205,000, account receivable at close is N320,000, provision for doubtful debt b/f is N30,750, Sales is N1,318,600. Provision for doubtful debts is to be 15% of receivable. If 50% of sales were on credit how much was collected from debtors during the year  
Answer: N544,300  
  
Question MCQ20 : Margaret bought an electronic typewriter costing Le61,000 on credit from Unicom Technical. The transaction was not posted in the books. The error committed is an error of....................  
Answer: Commission  
  
Question MCQ21 : The Concept which supports the division of a company‟s continuous life into measurable time sessions for which financial statements are prepared is called  
Answer: Seasonality  
  
Question MCQ22 : Which of the following is NOT classified as a selling, general and administration expense?  
Answer: Distribution  
  
Question MCQ23 : The summation of all depreciation already charged on a non-current asset is  
Answer: Accumulated depreciation  
  
Question MCQ24 : If the cost price of an article is N120,000 and selling price N150,000. Which of the following will be correct?  
Answer: Margin is 20%  
  
Question MCQ25 : If total receivables at the end of a company’s financial year is GH¢10 million and provision for bad and doubtful debt is 10%. How much bad debt provision is charged to Income in the year?  
Answer: GH¢1,000,000  
  
Question MCQ26 : Which of the following errors will NOT affect the agreement of the trial balance?  
Answer: Opening balance has not been brought down  
  
Question MCQ27 : Which of the following accounts must be cleared in the Trial Balance before final accounts can be prepared?  
Answer: Bad debt provision  
  
Question MCQ28 : Which of the following balances in the Statement of financial position will be affected if bad and doubtful debt provision is increased?  
Answer: Trade receivables  
  
Question MCQ29 : Which of the following documents is checked against a waybill to ensure that goods ordered were the ones supplied?  
Answer: Purchase Order  
  
Question MCQ30 : Accounting is concerned with the following purposes EXCEPT  
Answer: Having the record of accounting firms operating in the country  
  
Question MCQ31 : A document sent by a supplier to a customer in respect of goods returned or over payments made by the customer is called:  
Answer: Credit Note  
  
Question MCQ32 : State the book of prime entry in which you would record the following transaction: An invoice for N650,000 was sent to Alhaji WAZOBIA (a customer)  
Answer: Sales Day Book  
  
Question MCQ33 : Given that Furniture and fitting costs N15,000, account receivable is N17,000, bank account is N11,000, Loan payable is N13,000, What is the capital at start?  
Answer: N25,000,000  
  
Question MCQ34 : Branches of accounting include all these EXCEPT:  
Answer: Financial Management  
  
Question MCQ35 : ALL of the following are regular users of general purpose Financial Statement EXCEPT  
Answer: Judiciary  
  
Question MCQ36 : The accounting concept that states that income should be recognised when they are earned and not when they are received is the  
Answer: Accrual Concept  
  
Question MCQ37 : The document that serves as evidence of payment to creditors, through the bank and withdrawals made for office use is  
Answer: Cheque Counterfoils  
  
Question MCQ38 : Which of the following is NOT an example of a real account?  
Answer: Salaries and wages  
  
Question MCQ39 : Why should financial statements be prepared on a consistent basis?  
Answer: To make it easier to compare results from one year to the next.  
  
Question MCQ40 : Which of the following is NOT a reason for depreciating non-current assets?  
Answer: Appreciation  
  
Question MCQ41 : The term “accrued rent expense” means  
Answer: Rent due but unpaid  
  
Question MCQ42 : Which of these errors arise when ONE or more errors are cancelled out by ONE or more errors elsewhere?  
Answer: Compensating error  
  
Question MCQ43 : In preparing a company’s bank reconciliation statement at month end, which of the following items is adjusted in the cash book?  
Answer: Direct debits  
  
Question MCQ44 : Which of the following is NOT a cause of Depreciation of a Motor Vehicle?  
Answer: Scrap value  
  
Question MCQ45 : The sales of Le 1,525 to Mr. D. Nonko was wrongly posted into Sales ledger as Le1,552. This type of error is known as  
Answer: Error of original entry  
  
Question MCQ46 : The Net Book value of a Property Plant & Equipment is N1,750,000 while the Accumulated Depreciation on the Property Plant & Equipment to date is N1,050,000.Assuming there are no additions to and disposal of the Fixed Asset, the cost of the Property Plant & Equipment is  
Answer: N2,800,000  
  
Question MCQ47 : Assets, with a life-span of more than one year, within the business on an ongoing basis, in order to generate revenue are called  
Answer: Non-Current Assets  
  
Question MCQ48 : Which is odd among the following?  
Answer: Stability concept  
  
Question MCQ49 : The sales value of goods sold on 2nd January 2011 was N250,000. The gross margine on sales was 25%. What is the value of stock sold on December 31st 2011  
Answer: N187,500  
  
Question MCQ50 : Narration as used in accounting entries is commonly found in  
Answer: Journal proper