

**CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD**  
Technical and Vocational Education Examinations



**7005 FINANCIAL ACCOUNTING 1**

**JUNE XXXX**

**ADVANCED LEVEL**

Specialty(Specialty Code)	
Centre No.	
Centre Name	
Candidate No.	
Candidate Name	

Mobile phones are **NOT** allowed in the examination room  
**7005 FINANCIAL ACCOUNTING 1: MULTIPLE CHOICE QUESTION PAPER**

**One and a half hours**

**INSTRUCTIONS TO CANDIDATES**

*Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.*

1. OHADA Charts of Accounts and CALCULATORS are ALLOWED.
2. USE A SOFT HB PENCIL THROUGHOUT THE EXAMINATION.
3. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

**Before the examination begins:**

4. Check that this question booklet is headed **Advanced Level – 7005 Financial Accounting 1**
5. Insert the information required in the spaces above.
6. Insert the information required in the spaces provided on the answer sheet using your HB pencil:  
**Candidate Name, Exam Session, Subject Code, Centre Number and Candidate Number.** Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
7. **Answer ALL questions**
8. Each question has FOUR suggested answers: **A, B, C** and **D**. Decide on which answer is correct. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen.  
For example, if **C** is your correct answer, mark **C** as shown below:  
[A] [B] [C] [D]
9. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
10. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
11. Do all rough work in this booklet, using, where necessary, the blank spaces in the question booklet.
12. Texts, notes and pre-prepared materials of any kind are also **NOT** allowed in the examination room.
13. **At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet after. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

*Turn Over*

1. Which one of the following elements of salary does not appear in a worker's pay slip?

A	Benefit in kind
B	Basic salary
C	Overtime
D	Personal income tax

2. The minimum salary of a worker in Cameroon in accordance with Cameroon labour law irrespective of the nature of job is:

A	28,218 CFAF
B	36,270 CFAF
C	62,000 CFAF
D	50,000 CFAF

3. The legal duration of work per week for security guard in agricultural sector is:

A	40 hours
B	45 hours
C	48 hours
D	54 hours

4. Which one of the following is not a fiscal deduction on salary?

A	Land bank tax
B	Audio visual contribution
C	Local development tax
D	National social insurance contribution

5. A worker with an hourly wage rate of 1,000 CFAF has put in 58 hours at work in a certain week. His overtime earned based on the normal system for the week is:

A	9,600 CFAF
B	10,400 CFAF
C	22,800 CFAF
D	21,600 CFAF

6. An invoice issued by A to B carries a gross amount of 800,000 CFAF, net amount of 600,000 CFAF. A credit note with a net amount of 100,000 F was issued by A to B adjusting the invoice. What is the amount payable by B?

A	600,000 CFAF
B	700,000 CFAF
C	500,000 CFAF
D	800,000 CFAF

7. The following invoice was issued by XYZ to ABC Enterprise.

XYZ	
Debit ABC Enterprise	
Gross amount	
Trade discount 10 %	
Commercial net	
VAT 19.25 %	
Net amount payable	429,300

The gross amount on the invoice is:

A	400,000 CFAF
B	460,746 CFAF
C	477,000 CFAF
D	360,000 CFAF

8. From question 7 above the commercial net on the invoice will be:

A	400,000 CFAF
B	460,746 CFAF
C	477,000 CFAF
D	360,000 CFAF

9. A carina truck was bought on the 1<sup>st</sup> of January 2015 for 12,000,000 CFAF. It is estimated to last for 8 years with a scrap value of 3,000,000 CFAF. The constant method of depreciation is applied. What would be the accumulated depreciation by 31/12/2018?

A	4,500,000 CFAF
B	6,000,000 CFAF
C	5,500,000 CFAF
D	3,575,000 CFAF

10. On the 31/12/2019 before inventory, the following was extracted from SALA enterprise:

Fixed asset	Original value	Date of acquisition	Constant depreciation rate	Accumulated depreciation
Heavy truck	-----	01/01/2015	5 %	2,625,000 CFAF

The original value of the truck is:

A	13,125,000 CFAF
B	2,265,000 CFAF
C	5,555,500 CFAF
D	10,500,000 CFAF

11. An equipment was acquired on the 01/04/2019 for 15,000,000 CFAF and was to be depreciated using the straight line method for 5 years. The first depreciation as at 31/12/2019 will be:

A	3,000,000 CFAF
B	2,250,000 CFAF
C	2,000,000 CFAF

D	4,500,000 CFAF
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12. The minimum threshold of annual turnover for a trading entity to be classified under the standard system is:

A	60,000,000 CFAF
B	40,000,000 CFAF
C	30,000,000 CFAF
D	20,000,000 CFAF

13. The threshold of turnover for a service rendering entity to fall under the minimum cash system is:

A	60,000,000 CFAF
B	40,000,000 CFAF
C	30,000,000 CFAF
D	20,000,000 CFAF

14. An entity has assets of 12,500,000 CFAF, suppliers of 1,200,000 CFAF and a bank loan balance of 6,300,000 CFAF as at December 31, 2019. What is the value of owners' equity?

A	5,000,000 CFAF
B	No equity as the entity has debts to pay.
C	12,500,000 CFAF
D	7,500,000 CFAF

15. A business has net assets of 19,000,000 CFAF at December 31 2019. During the year to 31 December 2019, the proprietor introduced 9,800,000 CFAF additional capital into the business. Profits were 8,000,000 CFAF, of which the proprietor withdrew 4,200,000 CFAF. What was the net asset of the business at 1<sup>st</sup> January 2019?

A	5,400,000 CFAF
B	3,000,000 CFAF
C	6,600,000 CFAF
D	32,600,000 CFAF

16. Which one of the following formulae is suitable for the calculation of the profit of a business?

A	Opening capital – drawings – capital introduced – closing capital.
B	Closing capital – drawings – capital introduced – opening capital.
C	Opening capital – drawings + capital introduced – closing capital.
D	Closing capital + drawings – capital introduced – opening capital.

17. A debit entry made to an asset account represents:

A	An increase in the value of the asset.
B	A decrease in the value of the asset.
C	A similar entry by the liability side.

D	An equal entry by the credit of an account.
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18. A credit entry made to a liability account represents:

A	An increase in the value of the asset.
B	An increase in the value of the liability.
C	A similar entry by the liability side.
D	An equal entry by the credit of an account.

19. A bank reconciliation statement is:

A	A statement sent by the bank when the account is overdrawn.
B	Drawn by us to verify our bank account balance with the bank statement balance.
C	Drawn up by the bank to verify the bank account.
D	Sent by the bank when we have made an error

20. Which of the following statements best describe the difference between a commercial and a manufacturing enterprise?

A	A commercial enterprise acquires and sells goods while a manufacturing enterprise only manufactures.
B	A commercial enterprise only sells goods without any manufacturing or transformation activity while a manufacturing enterprise produces the goods it sells.
C	A commercial enterprise produces and sells goods while a manufacturing enterprise only manufactures.
D	A manufacturing enterprise only manufactures goods for the commercial enterprise to sell.

21. Which of the following accounts should have a debit balance?

A	Bank overdraft
B	An asset account.
C	Trade payables
D	Debentures

22. An asset is defined as:

A	An item owned by an entity.
B	An item controlled by an entity.
C	An item paid for by an entity.
D	An item owed by an entity.

23. Which of the following transactions affects the capital account?

A	A supplier paid by cheque
B	Raw materials purchased on credit

*Turn Over*

C	Drawings made in cash
D	Wages being paid in cash

24. Which of the following statements best describes the operating cycle of a manufacturing business?

A	The purchase and sale of goods and manufacture of raw materials.
B	The purchase and storage of raw materials, production and storage of finished goods, and sales in cash.
C	The purchase and storage of raw materials, production and storage of finished goods, and sales of finished goods.
D	The purchase and storage of raw materials, production and storage of finished goods, and sales on credit.

25. At the end of the accounting period, the drawings account is closed and transferred to:

A	Capital account
B	Sales account
C	Purchases account
D	Profit and loss account

26. The professional expenses to be deducted from annual taxable salary of an employee in conformity to the 2019 finance law is:

A	20 %
B	500,000 CFAF
C	30 %
D	30 % and 500,000 CFAF

27. A bill of exchange worth 1,200,000F is presented on maturity and was dishonored. A new bill is drawn under the following conditions:

- Renewable charges 50,000 CFAF
- Interest for lateness 36,000 CFAF

What is the face value of the new bill?

A	1,286,000 CFAF
B	1,302,555 CFAF
C	1,114,000 CFAF
D	1,295,625 CFAF

28. Which of the following are parties to a bill of exchange?

A	Payee, drawee and drawer
B	Drawer, subscriber and drawee
C	Payee, payer and drawer
D	Drawer, subscriber and payee

29. The word domiciliation on a bill means

A	The date of maturity
B	The place of payment
C	The place where the bill is drawn
D	The place of acceptance

30. The equipment bought on the 1/12/2019 at 2,000,000 CFAF has a net book value of 1,600,000 CFAF as at 31/12/2019. The difference of 400,000 CFAF represents:

A	Impairment
B	Provision
C	Depreciation
D	Amortisation

31. An equipment bought for 4,000,000 CFAF and depreciated at the diminishing rate of 40 %. The accumulated depreciation before inventory at 31/12/2016 is 800,000 CFAF. Determine when the equipment was bought

A	01/07/2015
B	01/07/2016
C	01/07/2014
D	31/12/2014

32. Mami STEL started business on 1<sup>st</sup> January 2018 with the following assets:

- Motor van 140,000,000 CFAF
- Equipment 320,000,000 CFAF
- Stock 60,000,000 CFAF

In addition she had cash of 80,000,000 CFAF out of which 40,000,000 CFAF was borrowed from thrift and loans. The capital for the business is:

A	540,000,000 CFAF
B	520,000,000 CFAF
C	500,000,000 CFAF
D	480,000,000 CFAF

33. Consider the information in question 32, the liabilities of the business amount to:

A	108,000,000 CFAF
B	40,000,000 CFAF
C	60,000,000 CFAF
D	80,000,000 CFAF

34. When the stock holders invest cash in the business, the effect will:

A	Liabilities increases and stockholder's equity increases
B	Both the assets and liabilities increases
C	Both assets and stockholders' equity decreases
D	Assets increase and stockholders' equity increase.

35. On a given Invoice N°: 85, the following are provided:

- Gross amount 1,500,000 CFAF
- Trade discount 5 % and 2 %,

What is the net amount payable on the invoice?

A	1,425,500 CFAF
B	1,575,500 CFAF

C	1,396,500 CFAF
D	1,242,500 CFAF

36. Using the information on question 35 above, determine the value of the commercial net.

A	1,275,500 CFAF
B	1,629,500 CFAF
C	1,425,000 CFAF
D	1,396,500 CFAF

37. Capital employed can be calculated as:

A	Fixed capital – current assets
B	Working capital + current assets
C	Working capital + fixed asset
D	Working capital + long term loan

38. The contribution salary for NSIF of WELE for the month of November 2019 is 475,000F. How much is withheld as National Social Insurance Contribution from her monthly salary?

A	10,500 CFAF
B	19,950 CFAF
C	13,300 CFAF
D	15,750 CFAF

39. The following are the correct versions of the balance sheet equation, EXCEPT:

A	Assets = liabilities + Equity
B	Asset – liabilities = Equity
C	Assets – Equity = liabilities
D	Assets + liabilities = Equity

40. The equivalent legal duration of work per week for a night watch is:

A	40 hours
B	45 hours
C	54 hours
D	56 hours

41. Liabilities are defined as:

A	Owned resources
B	Tangible resources
C	Borrowed resources
D	Variable resources

42. A machine is purchased on 01/01/2018 for 1,600,000 CFAF. It has an estimated useful life of 5 years and is depreciated following the reducing balance method. What is the net accounting value of the asset on 31/12/2019?

A	960,000 CFAF
B	1,024,000 CFAF
C	640,000 CFAF
D	576,000 CFAF

43. A worker whose hourly wage is 800 CFAF put in 18 hours of overtime in a certain week. The overtime earned by the worker for that week is:

A	18,240 CFAF
B	14,400 CFAF
C	20,160 CFAF
D	18,080 CFAF

44. A cheque received from a customer and sent for collection which has not gone through the banking system is known:

A	Unpresented cheque
B	Uncredited cheque
C	Dishonoured cheque
D	Crossed cheque

45. Study the bank reconciliation statement below and point out the letter that represents a dishonoured cheque

Element	Bank Account		Bank Statement	
	Debit	Credit	Debit	Credit
Cheque	X	Y	Z	W

A	X
B	Y
C	Z
D	W

46. A packaging equipment, with an original historical value of 5,000,000 CFAF, was sold for 3,500,000 CFAF on 31/12/2019. The net accounting value of the equipment on 31/12/2019 was 1,000,000 CFAF. What is the gain/loss on disposal of the equipment?

A	2,500,000 CFAF (Gain)
B	1,500,000 CFAF (Gain)
C	4,000,000 CFAF (Gain)
D	2,500,000 CFAF (Loss)

47. Which accounting concept justifies the creation and recording of provision and impairment losses?

A	Separate entity concept
B	Matching concept
C	Accrual concept
D	Prudence concept

48. Which method of depreciation is suitable for assets that have high return and depreciate faster when they are new?

A	Reducing balance method
B	Straight line method
C	Unit of output method
D	Machine hour method

Turn Over

49. TANG bought an equipment for 6,000,000 CFAF on 01/01/2014. The linear method of depreciation was used with an estimated useful life of 8 years. However, on 01/06/2019, the equipment was sold for 800,000 CFAF. What is the depreciation charge for 2019 on the equipment?

A	750,000 CFAF
B	437,500 CFAF
C	312,500 CFAF
D	375,000 CFAF

50. Which of the following items is treated both in the income statement and in the balance sheet?

A	Salary paid
B	Prepaid expenses
C	Rental income
D	Drawings

**NOW GO BACK AND CHECK YOUR WORK**