

## SOUTH WEST REGIONAL MOCK EXAMINATION GENERAL EDUCATION

The Teachers' Resource Unit (TRU) in collaboration with the Subject Teachers' Association (STA)	<b>Subject code</b> 0505	<b>Paper number</b> 1
CANDIDATE NAME ..... CANDIDATE NUMBER ..... CENTRE NUMBER .....	<b>Subject title</b>  <b>ACCOUNTING</b>	
<b>Ordinary Level</b>	<b>DATE</b> Tuesday 05/04/2022	

**Time Allowed: One hour thirty minutes**

### INSTRUCTIONS TO CANDIDATES:

1. USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

**Before the Examination begins:**

3. Check that this question booklet is headed "Ordinary Level – 0505, Accounting Paper 1".
4. Insert the information required in the spaces provided above.
5. Without opening the booklet, pull out the answer sheet carefully from inside the front cover of this booklet. 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.
6. Insert the information required in the spaces provided on the answer sheet using your HB pencil:

**Candidate Name, Centre Number, Candidate Number, Subject Code Number and Paper Number**

**How to answer questions in this examination:**

7. Answer ALL the 50 questions in this examination. All questions carry equal marks.
8. Non-programmable calculators are allowed. OHADA Accounting Plans are allowed.
9. For each question there are four suggested answers, A, B, C, and D. Decide 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 )

10. Mark only one answer for each question. If you mark more than one answer, you will score zero for that question. If you change your mind about an answer, erase the first mark carefully, and then mark your new answer.
11. Avoid spending much time on any question. If you find a question difficult, move to the next question. You can come back to this question later.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. Mobile phones are **NOT ALLOWED** in the examination room.
14. **You must not take this booklet and answer sheet out of the examination room. All question booklets and answer sheets will be collected at the end of the examination.**

1. On December 31<sup>st</sup>, if net income equals 150,000 CFAF and the ending capital is 200,000 CFAF and FORBAH invested an additional 26,000 CFAF in his business, while withdrawing 60,000 CFAF during the year for personal use, the beginning owner's equity for this year was:

- A 316,000 CFAF
- B 220,000 CFAF
- C 84,000 CFAF
- D 73,500 CFAF

2. An enterprise invoice goods to its customers for 850,000 CFAF. Rebate 10%, trade discount 5% and cash discount 2%, Net payable is:

- A 765,000 CFAF
- B 763,100 CFAF
- C 726,750 CFAF
- D 712,215 CFAF

3. The ability of a business to pay its short term creditors can be measured by means of:

- A Current ratio
- B Acid test ratio
- C Gross profit ratio
- D Net profit ratio

4. Which of the following statements best describes a Standing Order?

- A When goods are orders by an enterprise.
- B An order to pay money to a creditor by the bank
- C An instruction by the bank to her customer to make fixed deposit.
- D An instruction by a customer to her bank to make fixed regular payments.

5. When dealing with a sales invoice in a permanent inventory system, the cost of sales should be calculated on:

- A Net payable
- B Commercial net
- C Gross amount
- D Financial net

6. The following items represent the assets and liabilities of AMALO Enterprise as at 01/02/2014: Land 1,500,000 CFAF, Building 1,200,000 CFAF, Long Term loan 1,700,000 CFAF, stock 500,000 CFAF, suppliers 100,000 CFAF, customers 350,000 CFAF. The capital is:

- A 1,570,000 CFAF
- B 1,075,000 CFAF
- C 1,750,000 CFAF
- D 1,507,000 CFAF

7. When recoverable and Non-identifiable packages are damaged in the warehouse, the accounting entry is

- A Dr 831 and Cr 6081
- B Dr 6033 and Cr 3351
- C Dr 6033 and Cr 3352
- D Dr 831 and Cr 6082

8. Which inventory costing method matches recent costs with recent revenues?

- A Specific identification
- B Average cost.
- C First-in, first-out (FIFO)
- D Last-in, first-out (LIFO).

9. Under the perpetual inventory system, in addition to making the entry to record a purchase, a company would

- A Make no additional entry until the end of the period.
- B Debit account 6031 and credit account 31.
- C Debit account 6031 and credit account 601
- D Debit account 31 and credit account 6031.

10. Which of the following highlights the correct order of the stages in the accounting cycle?

- A Journalizing, final accounts, posting to the ledger and trial balance.
- B Journalizing, posting to the ledger, trial balance and final accounts
- C Posting to the ledger, trial balance, final balance and journalizing
- D Posting to the ledger, journalizing, final accounts and trial balance.

11. The impairment for loss in value of stock of goods stood at 69,500 CFAF on 31/12/2014. The impairment was 80,000 CFAF on 31/12/2014. The impairment written back on 31/12/2014 is recorded as:

- A Debit 6593 and credit 391 with 69,500 CFAF
- B Debit 6593 and credit 393 with 80,000 CFAF
- C Debit 391 and credit 7593 with 80,000 CFAF
- D Debit 391 and credit 7591 with 69,500 CFAF

12. The purchase of an office equipment on credit for 15,000,000 CFAF is recorded in the classical journal as:

- A Debit 601 and credit 401 with 15,000,000 CFAF
- B Debit 2441 and credit 401 with 15,000,000 CFAF
- C Debit 2441 and credit 4812 with 15,000,000 CFAF
- D Debit 601 and credit 4812 with 15,000,000 CFAF

13. The concept of accrual accounting that assumes that expenses can be assigned to the accounting period in which they are used to produce revenues is:

- A Periodicity assumption.
- B Cash basis accounting principle.
- C Expense recognition (matching) principle.
- D Revenue recognition principle.

14. A company has 500 crates including 300 in the warehouse on 01/01/2014. The customer's debt on containers in account 4194 on this date stood at 210,000 CFAF. If the weighted average price of a crate as at 01/01/2014 is 600 CFAF, find the deposit price of a crate.

- A 420 CFAF
- B 700 CFAF
- C 1,050 CFAF
- D 350 CFAF

15. An asset costing 4,000,000 CFAF was purchased on 1<sup>st</sup> January 2013. Depreciation was provided on reducing balance method for 8 years. What is the depreciation rate?

- A 31.25%
- B 12.5%
- C 25%
- D 18.75%

16. A company has a current ratio of 0.5. Which of the following actions would improve (increase) this ratio?

- A Use cash to pay off current liabilities.
- B Collect some of the current accounts receivable.
- C Use cash to pay off some long-term debt.
- D Purchase additional inventory on credit (accounts payable).

17. A business prepares his account on 31<sup>st</sup> December 2015. The trial balance includes 900,000 CFAF for insurance used from 1 January to 30 September 2015. How much needs to be accrued at the end of the year?

- A 900,000 CFAF
- B 300,000 CFAF
- C 600,000 CFAF
- D 1,200,000 CFAF

18. In a sales account, cash sales should be entered:

- A in the debit
- B in the credit
- C in the debit and credit
- D as a balance carried down

19. Opening accounts receivable 50,000 CFAF, credit sales 160,000 CFAF, receipts from debtors 70,000 CFAF, bad debts written off 20,000 CFAF. What is the value of closing accounts receivables?

- A 210,000 CFAF
- B 110,000 CFAF
- C 160,000 CFAF
- D 120,000 CFAF

20. An invoice shows a total of 240 000 CFAF less  $2\frac{1}{2}$  per cent cash discount. If paid in time the cheque paid would be for:
- A 228 000 CFAF
  - B 220 000 CFAF
  - C 216 000 CFAF
  - D 234 000 CFAF

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21. On the 1/8/2015, the enterprise paid an annual insurance premium for 360,000 CFAF to run from 1/8/2015 to 31/12/2016. What will be the amount to be adjusted as at 31/12/2015?

- A 360,000 CFAF
- B 150,000 CFAF
- C 210,000 CFAF
- D 180,000 CFAF

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22. Identify the overtime rate increase for a worker who worked on Sunday:

- A 20%
- B 30%
- C 40%
- D 50%

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23. A system of recording that makes use of a single journal is known as:

- A Classical auxiliary system
- B Centralised System
- C Auxiliary journal system
- D Classical system

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24. GAMI Enterprise sold goods on credit to YEGHA Enterprise to be paid in 60 days. The two parties later agree to create a promissory note. GAMI and YEGHA shall be respectively known as:

- A Subscriber and payee
- B Supplier and issuer
- C Payee and subscriber
- D Subscriber and customer.

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25. In accounting, the concept whereby all losses are recognised but all profits are not before they are earned is called:

- A Going concern concept
- B Materiality concept
- C Accrual concept
- D Prudence concept

26. Supplier's personal accounts are kept in the:

- A General ledger
- B Purchase ledger
- C Sales ledger
- D Nominal ledger

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27. Assets are defined as:

- A Borrowed resources
- B Owned resources
- C Resources controlled that will bring in future cash
- D Property of the business

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28. A sales journal can also be referred to as:

- A Sales ledger
- B Sales invoice
- C Sales day book
- D Sales return book

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29. A credit bank balance on the trial balance signifies

- A Excess cash with the bank
- B No cash with the bank
- C Error committed in the trial balance
- D Bank overdraft

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30. The cash account of an enterprise has an opening balance of 1,500,000 CFAF. This account has recorded a debit movement of 2,175,000 CFAF and a credit movement of 3,000,000 CFAF. The closing balance of the cash account is:

- A 2,325,000 CFAF
- B 675,000 CFAF
- C 6,675,000 CFAF
- D 825,000 CFAF

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31. MATO ltd purchased goods worth 3,000,000 CFAF and paid guarantee express 40,000 CFAF cash to transport the goods. Which entry is made in the books of MATO ltd to record this transport expense?

- A Debit account 571 with 40,000 CFAF and credit account 611 with 40,000 CFAF
- B Debit account 6015 with 40,000 CFAF and credit account 571 with 40,000 CFAF
- C Debit account 611 with 40,000 CFAF and credit account 521 with 40,000 CFAF
- D Debit account 612 with 40,000 CFAF and credit account 571 with 40,000 CFAF

32. The trial balance is used to record balances from:

- A The journal
- B The ledger
- C The account
- D The cash book

34. A book that contains all the accounts of an entity is called:

- A A trial balance
- B A ledger
- C A journal
- D A subsidiary book

35. The account of customers and suppliers are known as:

- A Impersonal account
- B Real account
- C Personal account
- D Nominal account

36. Expenses and revenues are examples of:

- A Real accounts
- B Nominal account
- C Impersonal account
- D Personal account

37. When goods are sold on credit, the following recording is made:

- A Dr Account 701 and Cr Account 401
- B Dr Account 6031 and Cr Account 311
- C Dr Account 701 and Cr Account 411
- D Dr Account 411 and Cr Account 701

38. Which of the following statements shows ledger balances as at a particular date?

- A A balance sheet
- B A ledger account
- C A trial balance
- D A trading account

39. Gross profit is the result of:

- A Trading account
- B Income statement
- C Profit and loss account
- D Income and expenditure

40. A statement that shows the financial position of an enterprise is known as:

- A Trading account
- B Trial balance
- C Profit and loss account
- D Balance sheet

41. You are given the following information:

- Sales 8,200,000 CFAF
- Opening inventory 1,300,000 CFAF
- Closing inventory 900,000 CFAF
- Purchases 6,400,000 CFAF
- Transport on purchase 200,000 CFAF

The cost of goods sold should be:

- A 6,800,000 CFAF
- B 6,200,000 CFAF
- C 7,000,000 CFAF
- D 7,500,000 CFAF

42. Using the following data, determine the amount of capital

Assets:	Premises	20,000,000 CFAF
	Inventory	8,500,000 CFAF
	Cash	100,000 CFAF

Liabilities:	Accounts Payable	3,000,000 CFAF
	Loan from KETU	4,000,000 CFAF

- A 21,100,000 CFAF
- B 21,600,000 CFAF
- C 32,400,000 CFAF
- D 21,400,000 CFAF

43. A subsidiary record is a book:

- A containing the ledgers
- B containing the balance sheet
- C found in the journal
- D containing the original entry

44. The purchase ledger control account is also referred to as:

- A Total creditors account
- B Personal account
- C Total debtors account
- D Impersonal control account

45. Which of the following items is found on the credit side of a sale ledger control account?

- A Debtors' cheques dishonoured
- B Credit sales
- C Bad debt written off
- D Interest on overdue accounts

46. The cost of raw materials consumed is determined in the manufacturing account as:

- A Opening stock plus purchase minus closing stock
- B Purchases plus closing stock less opening stock
- C Cost of raw materials available plus closing stock
- D Cost of materials available plus opening stock

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47. Rent owing by business is shown in the:

- A Trial balance
- B Trading account
- C Balance sheet
- D Cash book

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48. Carriage inward expenses of a business is treated in:

- A Appropriation account
- B Profit and loss account
- C Trading account
- D Balance sheet

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49. The capital of a business is 800,000 CFAF. Net profit is 270,000 CFAF and drawings are 110,000 CFAF. The net worth of the business is:

- A 1,070,000 CFAF
- B 1,180,000 CFAF
- C 690,000 CFAF
- D 960,000 CFAF

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50. Liabilities payable within one year are called?

- A Debentures
- B Long-term liabilities
- C Current liabilities
- D Long-term bonds

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**END.**  
**GO BACK AND CHECK YOUR WORK.**