CFAFCFAFCAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD
Technical and Vocational Education Examination

7015 CORPORATE ACCOUNTING 1

JUNE 2020 **ADVANCED LEVEL**

Specialty Name & Code	**ACCOUNTING (ACC)**
Centre No.	
Centre Name	
Candidate No.	
Candidate Name	

Mobile phones are **NOT** allowed in the examination room

7015 CORPORATE 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. USE A SOFT HB PENCIL THROUGHOUT THE 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 **Advanced Level – 7015 CORPORATE ACCOUNTING 1**
4. Insert the information required in the spaces above.
5. 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.
6. **Answer ALL questions**
7. 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]
8. 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.
9. 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.
10. Do all rough work in this booklet, using, where necessary, the blank spaces in the question booklet.
11. Texts, notes and pre-prepared materials of any kind are also **NOT** allowed in the examination room.
12. **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. The principal rate of VAT is
   - A 19.25%
   - B 17.5%
   - C 18.7%
   - D 17%

2. From the date of subscription, the payment of cash contribution should be carried out within how many years?
   - A 3 years
   - B 2 years
   - C 1 year
   - D 4 years

3. Which of the following is a condition for the subscription and payment of new shares?
   - A old capital must have realized a profit..
   - B new capital should be paid up totally
   - C issue premium should be paid up at least at the legal minimum
   - D The publicity should be done in the legal newspapers.

4. The minimum capital for a Public limited liability company as well as a private limited liability company is
   - A 1,000,000 CFAF and 10,000,000CFAF respectively
   - B 10,000,000 CFAF and 1,000,000 CFAF respectively
   - C 5,000,000 CFAF FCA and 10,000,000 CFAF respectively
   - D 10,000,000 CFAF and 100,000,000CFAF respectively

5. TATA set up a commercial company with a capital of 4,000,000,000 F. What shall be the registration duty to be paid?
   - A 750,000 CFAF
   - B 5,000,000 CFAF
   - C 3,000,000 CFAF
   - D 20,000,000 CFAF

6. Which of the following is a general condition of reinstatement of charges or expenses?
   - A The expenses to be deducted must be licit.
   - B The charges to be deducted must be recorded as justified by accounting documents.
   - C The charges should correspond to fines and penalties.
   - D The charges should not be done for personal interest.

7. In calculating the fiscal result of WENYO ltd, an abstract of depreciation schedule is provided:
   - Depreciation of buildings: 5,000,000 CFAF of which 10, 000,000 CFAF is for a hired shed.
   - Depreciation of equipment: 10,000,000 CFAF of which 2,000,000 CFAF is for a Toyota depreciated according to the reducing balance method at the rate of 40% with a useful life of 5 years and 1,000,000 CFAF for the private car of the general manager.

   The total non- deductible depreciation is
   - A 4,000,000 CFAF
   - B 3,000,000 CFAF
   - C 7,000,000 CFAF
   - D 11,000,000 CFAF

8. A shareholder deposited in excess an amount of 6,750,000 CFAF F at the disposal of his company at the rate of 14.5%, whereas the central bank rate is 9.5%. Which amount should be included in the taxable profit?
   - A 202,500 CFAF
   - B 708,750 CFAF
   - C 843,750 CFAF
   - D 1,046,250 CFAF

9. The constitution of legal reserves shall stop when the legal reserve reaches
   - A 10% of net profit
   - B 10% of capital
   - C 20% of capital
   - D 25% of capital

10. The taxable profit of MAMIK and Co ltd for the financial year is 37,750,450 CFAF , given that the total income tax on account of purchases and sales is 2,435,000 CFAF ; the company tax liability for the financial year is:
    - A 12,457,500 CFAF
    - B 12,457,649 CFAF
    - C 2,435,000 CFAF
    - D 10,022,500 CFAF

11. Using the information in question 10, the value of the company tax payable is:
    - A 10,022,500 CFAF
    - B 2,435,000 CFAF
    - C 10,022,649 CFAF
    - D 2,076,102 CFAF

12. The following are depreciation methods, which of them is acceptable for tax purposes in Cameroon?
    - A Sum of the year's digit method
    - B Reducing balance method
    - C Straight line method
    - D The output method

13. A company with a capital of 4,000 shares of 14,500 CFAF decided to increase its capital on the basis of the mathematical value before the increase being the arithmetic mean between the mathematical value (24,000 CFAF) and the market price (20,000 CFAF). What is the mathematical value before the increase?
 A 24,000 CFAF
 B 22,000 CFAF
 C 20,000 CFAF
 D 14,500 CFAF

14. Which of the following provisions is not deductible?
 A Provision for apprenticeship tax.
 B Provision for probable financial risk
 C Provision for sales guarantee.
 D Provision for probable doubtful customers.

15. John bought goods for 900,000 CFAF VAT exclusive and sold to Subin for 1000,000 CFAF VAT exclusive. The VAT collected by Sabin is:
 A 192,500 CFAF F
 B 173,250 CFAF F
 C 19,250 CFAF F
 D 211,750 CFAF F

16. VAT credit means that
 A VAT recoverable is less than VAT invoiced
 B The tax payer owes the state
 C VAT recoverable exceeds VAT invoiced
 D VAT invoiced exceeds VAT recoverable

17. For a capital of 300,000,000 CFAF made up of shares of 10,000 CFAF each with a realized profit of 60,000,000 CFAF before tax, the gross dividend per share is
 A 2,000 CFAF
 B 6,000 CFAF
 C 10,000 CFAF
 D 30,000 CFAF

18 The following businesses are liable to company tax
 A Agricultural mutual credit funds
 B Philantropic organisations
 C Public limited companies
 D Nongovernmental organisations

19. When a public limited company wants to increase its capital; which organ is in charge?
 A The board of directors
 B The general meeting of managers
 C The ordinary general meeting of shareholders
 D The extra ordinary general meeting of shareholders

20. Which of the following enjoys limited liability?
 A A sole proprietorship
 B A general partnership
 C A public limited liability company
 D All of the above.

21. A defaulting shareholder is
 A A shareholder whose shares are auctioned in the stock exchange market
 B A shareholder who pays delay interests and charges
 C A shareholder who is absent at the time a call is made
 D A shareholder who fails to make payments of his shares despite all reminders.

22. The following are characteristics of public limited company
 A Minimum capital of 10,000,000 CFAF F divided into shares of not less than 10,000 CFAF
 B Minimum capital of 1,000,000 CFAF divided into social parts of not less than 5,000 CFAF
 C The contribution in kind can be paid up at will.
 D Its social denomination should be preceded by "Ltd"

23. Which of the following statement applies to the appropriation of profit in limited liability companies?
 A The legal reserve is 10% of the profit to be appropriated with no ceiling
 B Statutory interests are calculated on all shares subscribed
 C Any net loss realized in a financial year should be added to subsequent profit
 D The general assembly of shareholders can decide a carry forward of profit.

24. Which of the following capital accounts has rights to statutory interest during profit appropriation in a company?
 A Account 1011
 B account 1012
 C account 1013
 D Account 1014

25. Mathematical value cum-coupon means:
 A The mathematical value calculated before profit appropriation
 B The mathematical value calculated after profit appropriation
 C The mathematical value with dividend
 D MV ex-coupon

Turn Over

26. Charges or expenses whose existence are in conformity with the norms of the fiscal law are called?
A Nondeductible charges.
B Fiscal expenses
C Deductible charges.
D Legal expenses.

27 Statutory interest is calculated on
A Contributions in cash
B Contributions in kind
C The legal minimum
D The unredeemed called and paid up capital.

28. The annual turnover of a company is 150,000,000 CFAF, its fiscal profit for the same period amounts to 8,000,000 CFAF. The amount of the company tax liability is
A 3,850,000 CFAF.
B 3,500,000 CFAF.
C 3,300,000 CFAF
D 3,000,000 CFAF

29. Given that the Plc in Question 28 above has paid the minimum monthly tax on turnover, the company tax payable would be
A 0 CFAF
B 550,000 CFAF
C 850,000 CFAF
D 1,300,000 CFAF

30. What is the total amount of shares in kind given that the contribution in cash is 180,000,000 CFAF with a total of 40,000 shares and a nominal value of 10,000 CFAF?
A 220,000,000 CFAF
B 400,000,000 CFAF
C 440,000,000 CFAF
D 22,000,000 CFAF

31. The subscription right is
A The right for old shareholders to subscribe for new shares issued.
B The right to subscribe free shares by old shareholders.
C Right to subscribe new shares by new shareholders.
D A right to subscribe both new shares and old shares.

32. Which organ has the power to modify the statute of a public limited company; .
A The ordinary general assembly
B The board of directors
C The extra ordinary general assembly
D The manager.

33. The principal rate for proportional tax on income from securities is
A 16.5 %
B 15 %
C 19.25 %
D 33 %

34. During the subscription of news shares by old shareholders; one old share has how many rights?
A 2 rights
B 3 rights
C 1 right
D 4 rights

35. What happens to the net asset when the capital is increased by incorporation of reserves?
A Net assets increase
B Net assets remain the same
C Net assets decreases
D Net assets are equal to reserves incorporated.

36. A company has total dividend of 50,000,000 CFAF and 10,000 shares, what is the proportional tax from income from securities per share
A 825 CFAF
B 700 CFAF
C 750 CFAF
D 800 CFAF

37. How many years does the fiscal law prescribed that losses should be deducted before calculating the company tax?
A 3 preceding years
B 2 preceding years
C 4 preceding years
D 5 preceding years

38. After the appropriation of profit in a company the dividend per share amounted to 9000 CFAF. If the interest rate is 8 %, what is the financial value per share?

A	100,000 CFAF
B	125,000 CFAF
C	110,000 CFAF
D	112,500 CFAF

39. During the increase of capital by incorporation of reserves, old shares are compensated with
A Attribution right
B Subscription right
C Incorporation right
D Reserved right.

40. BILLY bought goods for 1,132,875 CFAF VAT inclusive and sold to JOHN for 1,252,125 CFAF VAT inclusive. The VAT collected by BILLY is
   A 102,251 CFAF
   B 182,875 CFAF
   C 304,415.25 CFAF
   D 202,125 CFAF

41. The dividend to be paid to shareholders consists of the statutory interest and the:
   A optional reserves
   B statutory reserve
   C super dividend
   D legal reserves.

42. In SICA Plc, the manager put at the disposal of the firm the sum of 50,000,000 CFAF remunerated at 15 % since the 1/7/2019. The Central Bank rate is 10.5 %. What is the nondeductible interest for the year ending?
   A 7,500,000 CFAF
   B 3,750,00 CFAF
   C 625,000 CFAF
   D 3,125,000 CFAF

43. You have the following information from a company after the appropriation of profit.

Dividend	30,000,000 CFAF
Optional reserves	20,000,000 CFAF
Number of shares	20,000 shares
Interest rate	8 %

What is the return value per share?
   A 31,250 CFAF
   B 18,750 CFAF
   C 12,250 CFAF
   D 30,000 CFAF

44. What is the legal rule concerning the payment of contributions in kind.
   A They are paid by ¼ at the constitution the company
   B They are paid by ½ at the constitution of the company
   C They are paid by ¾ at the constitution of the company
   D They are totally paid up at the constitution of the company.

45. The attribution right is the right for
   A new shareholders to subscribe new shares
   B old shareholders to benefit bonus or free shares
   C shareholders to subscribe shares
   D old shareholders to subscribe new shares.

46. What happens to the issue premium when the capital is increase with contributions in kind?
   A Increase in issue premium
   B Decrease in issue premium
   C No change in issue premium
   D Issue premium doubles

47. Lateness interest on the defaulting shareholder is calculated on;
   A Amount due for the call
   B Amount already paid
   C Selling price of his shares
   D His total contribution.

48. If the mathematical value of a company is 15,000 CFAF, the capital made up of 10,000 shares of 20,000 CFAF nominal value, what will be the net asset
   A 200,000,000 CFAF
   B 300,000,000 CFAF
   C 350,000,000 CFAF
   D 150,000,000 CFAF

49. BIH Plc made purchases of 80,000,000 CFAF through an agent the agent was paid 5,300,000 CFAF. What is the amount of the commission to be reinstated in the fiscal profit?
   A 4,500,000 CFAF
   B 1,300,000 CFAF
   C 5,000,000 CFAF
   D 5,300,000 CFAF

50. A Plc with a turnover tax inclusive of 238,500,000 CFAF and a taxable profit of 20,000,000 CFAF is allowed to grant gifts to a philanthropic group up to the tune of
   A 10,000,000 CFAF
   B 1,192,500 CFAF
   C 1,000,000 CFAF
   D 2,000,000 CFAF.

NOW GO BACK AND CHECK YOUR WORK