

# GENERAL CERTIFICATE OF EDUCATION BOARD

## General Certificate of Education Examination

0505 ACCOUNTING 1

JUNE 2022

ORDINARY LEVEL

|                                 |  |
|---------------------------------|--|
| Centre Number                   |  |
| Centre Name                     |  |
| Candidate Identification Number |  |
| Candidate Name                  |  |

Mobile phones are NOT allowed in the examination room

### 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 "**ORDINARY LEVEL – 0505 ACCOUNTING 1**".
4. Fill in the information required in the spaces above.
5. Fill in the information required in the spaces provided on the answer sheet using your HB pencil:  
**Candidate Name, Exam Session, Subject Code and Candidate Identification 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.

How to answer the questions in this examination

6. Answer **ALL** the 50 questions in this Examination. All questions carry equal marks.
7. Non-programmable Calculators are allowed. OHADA Accounting Charts are NOT allowed.
8. Each question has **FOUR** suggested answers: **A, B, C** and **D**. Decide which answer is appropriate. 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 your rough work in this booklet using the blank spaces in the question booklet.
12. **At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

Turn Over

1. Which of the following is a source document helpful in preparing the cash book?

- A Cash sales invoice and pay-in-slips
- B All sales and purchases invoices
- C Debit and credit notes
- D Cash and credit invoices

2. In the patrimony of an enterprise, assets are usually classified in order of:

- A Liquidity
- B Profitability
- C Efficiency
- D Performance

3. On January 15, 2019 an entity purchased goods by cash. Which of the following best describes the dual effect in the books?

- A The business has given goods and received cash
- B The business has received goods and cash
- C The business has given cash and given goods
- D The business has received goods and has given cash.

4. Which of the following is a source of finance when a business needs additional funding?

- A Selling to customers on credit
- B Buying from suppliers by cash
- C Long-term loan from bank
- D Buying of fixed assets

5. In an enterprise, software, licenses, copyright, logo and trademarks are all aspects of:

- A Tangible fixed assets
- B Intangible fixed assets
- C Financial fixed assets
- D Current assets

6. GAAP is an acronym for;

- A Generally Authorised Accounting Procedures
- B Generally Applied Accounting Principles
- C Generally Accepted Auditing Procedures
- D Generally Accepted Accounting Principles

7. Overtime night work after 10 pm in Cameroon is remunerated at the hourly rate of:

- A 120%
- B 130%
- C 140%
- D 150%

8. An impairment loss on stocks is recorded when:

- A The selling price is less than the market value
- B The market value is less than the purchase price
- C The selling price is greater than the purchase price
- D The market value is greater than the

purchase price

9. What accounting principle governs the timing of recognition of revenue?

- A Realisation principle
- B Materiality principle
- C Consistency principle
- D Matching principle

10. On September 10, 2019 Ekane consigned 70 containers to Anu. The consignment price was FCFA 5,000. The ratio of the consignment to the purchase price was 5:4 respectively.

What is the purchase price of the containers?

- A F CFA 6,250
- B F CFA 5,000
- C F CFA 4,000
- D F CFA 6,000

11. Transactions of an entity that include the purchases and sales of long-term productive assets are referred to as;

- A Investment activities
- B Financing activities
- C Expenditure and revenue activities
- D Operating activities

12. An asset was purchased for F CFA 1,000,000 with an immediate cash payment of F CFA 200,000 and a bill accepted for F CFA 800,000.

What would be the effect on the total assets and liabilities of the entity?

- A Assets increase by F CFA 800,000 and liabilities decrease by F CFA 800,000
- B Assets decrease by F CFA 800,000 and liabilities increase by F CFA 800,000
- C Assets increase by F CFA 1,000,000 and liabilities decrease by F CFA 800,000
- D Assets increase by F CFA 800,000 and liabilities increase by F CFA 800,000

13. When goods are bought and stored, they leave the warehouse at;

- A Purchase price
- B Purchase cost
- C Warehouse cost
- D Selling price

14. The difference between account 77 (Financial revenues) and 67 (Financial expenses) will give?

- A Financial results
- B Financial profit
- C Financial loss
- D Financial operations

15. Names of individuals found in the purchases day book are names of ;

- A Debtors
- B Creditors
- C Owners
- D Customers

16. On December 31, 2018 Platon Ltd recorded a provision of F CFA 500,000 on quarry land bought at F CFA 2,000,000. On December 31, 2019 the land was valued at F CFA 1,700,000. What is the provision written off as at that date?

- A F CFA 200,000
- B F CFA 300,000
- C F CFA 500,000
- D F CFA 400,000

17. Fokou entity supplies building materials worth FCFA 2,400,000. Given that VAT rate is 19.25%, what is the amount of the additional council tax on the transaction?

- A F CFA 462,000
- B F CFA 42,000
- C F CFA 62,000
- D F CFA 642,000

18. An investment supplier can become a shareholder of an entity by;

- A New contributions
- B Bringing his balance sheet
- C Conversion of debts
- D Bringing in new skills

19. A request made by a customer asking the bank to make regular payments of a fixed amount out of his account is known as;

- A Credit transfer
- B Bank order
- C Standing order
- D Direct debit

20. ABANG paid his supplier of goods through credit card worth F CFA 250 000. The journal entry for this transaction is;

- A Debit a/c 401- Suppliers and  
Credit a/c 514 – Cheques for collection
- B Debit a/c 411- Customers and  
Credit a/c 513 – Cheques Awaiting collection
- C Debit a/c 401- Suppliers and  
Credit a/c 515 – Credit cards awaiting collection
- D Debit a/c 411 - Customers and  
Credit a/c 516 – Bills awaiting collection

21. Prime cost refers to;

- A Total direct cost
- B Total overhead cost
- C Total cost of production
- D Total cost of materials

22. A reduction in the cost of goods for bulk buying is called?

- A Cash discount
- B Trade discount
- C Refund

D Rebate

23. The following were extracted for the VAT records of KUM entity for the month of January 2015:

| Month   | Sales<br>F CFA | Purchases<br>F CFA |
|---------|----------------|--------------------|
| January | 5 000 000      | 4 600 000          |

What is the VAT due for January 2015?

- A F CFA 77,000 Credit
- B F CFA 77,000 Due
- C F CFA 154,000 Credit
- D F CFA 154,000 Due

24. What is the current principal rate of VAT in Cameroon?

- A 18.5%
- B 17%
- C 19.25%
- D 17.5%

25. An invoice has the following elements: Goods F CFA 450,000; Cash discount 2%; Rebate 10%; Containers consigned F CFA 20,000; VAT 19.25%. What is the net amount to be paid?

- A F CFA 497,153
- B F CFA 493,303
- C F CFA 449,453
- D F CFA 453,303

26. Calculate David's opening capital given the following;

|                    | F CFA  |
|--------------------|--------|
| Non-current assets | 60,000 |
| Inventory          | 10,000 |
| Cash balance       | 5,000  |
| Loan               | 8,000  |
| Bank overdraft     | 20,000 |

- A F CFA 63,000
- B F CFA 87,000
- C F CFA 47,000
- D F CFA 103,000

27. When balancing accounts, the principle which justifies why there must always be balance carried forward and balance brought forward is;

- A Entity concept
- B Matching concept
- C Going concern concept
- D Consistency concept

28. The ratio that refers to the ability of a firm meeting her short term obligations using her short term resources is called;

- A Liquidity ratio
- B Activity ratio
- C Leverage ratio
- D Profitability ratio

Turn Over

29. At the end of a given period, the cashier realised a shortage of F CFA 50,000 in the cash till. What is the effect of this in the financial statements?

- A A decrease in liabilities by F CFA 50,000
- B A decrease in assets by F CFA 50,000
- C An increase in liability by F CFA 50,000
- D An increase in assets by F CFA 50,000

30. The opening stock of Pa Nfor business is F CFA 20,000, while the closing stock stood at F CFA 25,000. If the cost of sales is F CFA 200,000, what is average stock?

- A F CFA 22,550
- B F CFA 22,450
- C F CFA 22,500
- D F CFA 22,350

31. An account clerk overstated the figure of a debtor's transaction by F CFA 75,000. What kind of error is this?

- A Error of compensation
- B Error of original entry
- C Error of complete reversal of entry
- D Error of overstating

32. Sales of goods for F CFA 78,000 to Tanga were recorded in his account as F CFA 87,000. How can this be corrected?

- A Debit 471 – Sundry debtors and  
Credit 411 – Customer F CFA 9,000
- B Debit 411- Customer and  
Credit 701- Sales of goods F CFA 9,000
- C Debit 701 - Sales of goods and  
Credit 411- Customer F CFA 87,000
- D Debit 411- Customer and  
Credit 701- Sales of goods F CFA 87,000

Use the following information to answer question 33 and 34. Zelefac works with AVCD entity. His hourly rate is F CFA 405. The normal weekly hours are 40 hours. On the first week of February 2018 he effectively works 60 hours.

33. Determine Zelefac's basic pay.

- A F CFA 13,200
- B F CFA 14,200
- C F CFA 15,200
- D F CFA 16,200

34. Calculate his total overtime pay for the first week.

- A F CFA 11,368
- B F CFA 10,368
- C F CFA 12,368
- D F CFA 13,368

35. The total of the trial balance agrees;

- A When all debit entries are followed by a credit entry
- B When all credit entries are followed by corresponding debit entry(s)

- C When it is not a ledger account
- D Whenever it is prepared

36. Mr. Etien bought office equipment on September 01, 2018 for F CFA 1,200,000. It was estimated that the assets will last for 5 years. The annuity on the December 31, 2018 is;

- A F CFA 70,000
- B F CFA 90,000
- C F CFA 80,000
- D F CFA 60,000

37. How is a Bank overdraft classified in the statement of financial position?

- A Non-current asset
- B Current liability
- C Current asset
- D Non-current liability

38. In which of the following ways is gross profit determined?

- A Turnover + (returns inwards – closing stock- purchases)
- B Turnover – (closing stock + purchases + opening stock)
- C Cost of goods available for sales + carriage outward – closing stock
- D Turnover – (opening stock + purchases – closing stock)

39. In an entity, sales amounts to F CFA 100,000, sales returns amounts to F CFA 17,000 and carriage on sales amounts to F CFA 5,000. What is the turnover of the entity?

- A F CFA 83,000
- B F CFA 78,000
- C F CFA 88,000
- D F CFA 100,000

40. An internal transfer account is used in the centralisation system when a transaction involve;

- A A single subsidiary journal
- B More than one subsidiary journal
- C Cash debit and cash expenditure subsidiary journal
- D Bank debit and bank credit subsidiary journal

41. The purpose of annual depreciation provision is to;

- A Accumulate funds to replace an asset
- B Reduce the reported profits for the year
- C Accumulate funds to repair damaged assets
- D Spread the cost of an asset over its useful economic years based on benefits per period

42. A farmer of tomatoes bought packaging container (baskets) for use in selling the tomatoes and debited it in the purchases account. Is this an error?
- A No; it is supported by Accounting principles  
 B Yes; it is an error of principle  
 C Yes; it is an error of commission  
 D Yes; it is an error of compensation

Consider the following information for question 43 and 44:

|                               | F CFA      |
|-------------------------------|------------|
| Creditors at start            | 10,000,000 |
| Creditors at close            | 8,000,000  |
| Credit purchases              | 60,000,000 |
| Discount received             | 2,500,000  |
| Debtors and creditors contras | 3,500,000  |

43. How much was paid to suppliers during the year?
- A F CFA 56,000,000  
 B F CFA 55,650,000  
 C F CFA 58,500,000  
 D F CFA 56,350,000

44. What is purchase for the year?
- A F CFA 63,500,000  
 B F CFA 60,000,000  
 C F CFA 62,000,000  
 D F CFA 62,500,000

45. The presentation of the classical system, in order, is;
- A Classical journal, basic documents, general ledger.  
 B Basic documents, general ledger, Classical journal.  
 C Basic documents, Classical journal, general ledger.  
 D Classical journal, general ledger, basic documents.

46. In order to become a partner in a partnership, Mr. Jay brought his balance sheet as follows:

|                  | F CFA      |
|------------------|------------|
| Building         | 10,000,000 |
| Stock            | 2,000,000  |
| Customers        | 400,000    |
| Suppliers        | 2,000,000  |
| Short term loans | 600,000    |

Calculate his capital contribution in the partnership business;

- A F CFA 13,200,000  
 B F CFA 12,600,000  
 C F CFA 8,000,000  
 D F CFA 10,600,000

47. At the end of the period, the amounts in the subsidiary journal should be centralised in;
- A The general journal  
 B The general ledger  
 C The ledger account concern  
 D The trial balance

48. When provision for doubtful debts is decreased, it means;
- A An increase in debtors due to increase in credit sales  
 B Some debts initially written off have been recovered  
 C Some debts initially considered worthless have become worthy  
 D A decrease in debtors

49. Dextel and Denzel are in partnership sharing profits and losses in the proportion  $\frac{3}{4}$  and  $\frac{1}{4}$  respectively. A salary of F CFA 300,000 is payable to Dextel. Within the period, they made a loss of F CFA 1,200,000. What will be Dextel's share of the loss?
- A F CFA 900,000  
 B F CFA 300,000  
 C F CFA 675,000  
 D F CFA 225,000

50. When provision for doubtful debts is reduced, it means;
- A An increase in debtors due to an increase in credit sales  
 B Some debts initially written off have been recovered  
 C Some debts initially considered worthless have become recoverable  
 D A decrease in debtors

**GO BACK AND CHECK YOUR WORK**