

GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

International Financial Accounting 1
5015

JUNE 2023

INTERMEDIATE LEVEL

Specialty Name and Acronym	ACCOUNTING – ACC
Centre No.	
Centre Name.	
Candidate No.	
Candidate Name.	

Mobile phones are NOT allowed in the examination room.

5015 INTERNATIONAL FINANCIAL ACCOUNTING 1: MULTIPLE CHOICE QUESTION PAPER

Duration: One Hour Thirty Minutes (1hr 30mins)

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.

- NON PROGRAMMABLE CALCULATORS ARE ALLOWED.
- CHARTS OF ACCOUNTS ARE NOT ALLOWED.

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 “Intermediate Level – 5015 INTERNATIONAL FINANCIAL 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, and Candidate Number 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. Each question has 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]
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. At the end of the examination, the invigilator shall collect the answer sheet and the question booklet.
DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH ANY OF THESE.

Turn Over

1. Businesses makes use of both book-keeping and accounting procedures to
- interpret the double entry records.
 - prepare day books.
 - record all financial transactions of the business.
 - summarise the financial position of the business.
-
2. Identify the item which affects Gross Profit
- carriage inward.
 - discount allowed.
 - discount received.
 - carriage outwards.
-
3. An example of a Liability of a business is a/an
- amount owed by credit customers.
 - amount owed to credit supplier.
 - long term loan to employee.
 - property tax paid in advance.
-
4. In which section of a manufacturing account would a royalty payment appear?
- Direct expenses.
 - Direct labour.
 - Direct Materials.
 - Factory overhead.
-
5. Modestine is a wholesaler selling shoes to retailers. Which of the following is a revenue receipt?
- Capital introduced by Modestine.
 - Loan-term bank loan.
 - Proceeds of the sale of shoe shelve at book value.
 - Proceeds of sales of shoes at list price.
-
6. Transactions entered in the Purchases journal are
- cash paid to suppliers.
 - cash received from customers.
 - stock of goods bought on credit.
 - machinery bought on credit.
-
7. Identify the aim of preparing a trial balance
- to calculate the profit and loss.
 - to check the arithmetic accuracy of the ledger.
 - to check cash and bank balance.
 - to show the financial position.
-
8. Purchase ledger control account includes
- cash purchases.
 - bad debts.
 - discount received.
 - discount received
-
9. For Non-Profit organisations; what the business owes its members is known as
- accumulated fund.
 - capital.
 - Liabilities.
 - subscriptions.
-
10. The purchase of photocopier paper has been debited to the office equipment account. Which type of error is this?
- Commission.
 - Principle.
 - Compensating.
 - Reversal.
-
11. A trader prepares a Balance Sheet in order to
- calculate the profit or loss for a given period
 - summarise what the business owns and what it owes for a given period.
 - show the transactions which took place during the year.
 - Show the financial position of the business as at a given date.
-
12. A trader writes off an amount owed by Song by debiting the bad debts account and crediting Song's account. Which accounting principle is the trader applying?
- Entity concept.
 - Consistency concept.
 - Dual Aspect concept.
 - Money measurement concept.
-
13. LS Limited provided the following information:
- | | CFAF |
|---------------|---------|
| Sales | 470 000 |
| Cost of sales | 240 000 |
| Expenses | 90 000 |
- Determine the margin for the year.
- 29.79%.
 - 58.33%.
 - 68.09%.
 - 95.83%.
-
14. Where is the total of the discount column on the credit side of the Cash Book posted to?
- credit side of discount allowed account
 - debit side of discount received account
 - credit side of discount allowed account
 - credit side of discount received account

15. The Bank statement of a business shows a closing balance of 85,000 CFAF overdrawn. If unpresented cheques amounted to 20,000 CFAF and uncredited cheques 15,000 CFAF, what is the overdraft shown on the cash book ?
- A 50,000 CFAF.
B 80,000 CFAF.
C 90,000 CFAF.
D 120,000 CFA.
-
16. A subsidiary book used for recording small items of expenditures from cash vouchers is known as
- A petty cash book.
B Journal.
C cash book.
D bank statement.
-
17. An accounting document used to record items in the sales return day book is a/an
- A invoice.
B sales invoice.
C purchases invoice.
D debit note.
-
18. Goods returned to the supplier will reduce
- A purchases.
B opening stock.
C sales.
D closing stock.
-
19. Njung is preparing his purchases ledger control account. From which book of prime (original) entry will he obtain information about contra entries?
- A Cash book.
B General Ledger.
C Purchase Journal.
D Sales Journal.
-
20. The trading results in a financial year is shown in the
- A capital Account.
B income Statement.
C statement of Financial position.
D trial Balance.
-
21. The work in progress of Shola Manufacturers on 1st January was valued at 62,000 CFAF. At the end of the year it was valued at 54,000 CFAF. What was the effect on the cost of production for the year?
- A Decreased 8,000 CFAF.
B Decreased 11,600 CFAF.
C Increased 11,600 CFAF.
D Increased 8,000 CFAF.
-
22. What is the meaning of the money measurement principle?
- A Only items with monetary value are included in the accounts.
B Assets are normally shown at cost price.
C Profits are calculated after allowing for accruals and prepayments.
D Profits are calculated on the basis of cash receipts.
-
23. The trial balance of a business will disagree when
- A business stationery purchased are not recorded.
B goods purchased on credit had been debited to the supplier's account.
C goods sold on credit had been debited to the account of the wrong customer.
D the purchase of a new machine had been debited to the purchase account.
-
24. A Business bought a computer for office use and paid by cheque. How will the business record the transaction?
- A DR Bank CR Computers
B DR Purchase CR Bank
C DR Bank CR Purchases
D DR Computers CR Bank
-
25. A trader provided the following information for September 2014
- | | CFAF |
|----------------------------------|---------|
| Opening trade payables | 40 000 |
| Cheques paid to credit suppliers | 220 000 |
| Purchases on credit | 240 000 |
| Discount received | 10 000 |
- How much were the trade payables on 30 September 2014?
- A 10,000 CFAF.
B 30,000 CFAF.
C 50,000 CFAF.
D 70,000 CFAF.
-
26. Sera does not keep a full set of accounting records. Which information is needed to calculate her total net purchases?
- A Discount allowed.
B Goods returned by customers.
C Goods returned to suppliers.
D Trade discount.
-
27. An expenditure which increases the earning capacity of a business is
- A capital income.
B revenue expenditure.
C revenue income.
D capital expenditure.

28. An accounting document in which the first record of every business transaction is made in is known as an/a
- account.
 - trial balance.
 - subsidiary book.
 - ledger.
-
29. If the debit side of a bank account is less than the credit side, the difference will represent
- an overdraft
 - cash at bank
 - cash in till
 - error made in the account
-
30. If a fixed assets is sold on credit what is the effect on the accounting equation ?
- Assets Decrease and Liabilities Decrease.
 - Assets Decrease and Liabilities Increase.
 - Assets Increase and Liabilities Decrease.
 - Assets Increase and Liabilities Increase.
-
31. The sum of direct expense, direct materials and direct labour represents
- production overhead.
 - indirect cost.
 - production cost.
 - prime cost.
-
32. In a departmental account costs incurred by the departments are
- charged to the trading account.
 - allocated.
 - apportioned.
 - charged to one Department.
-
33. You are provided with the following information of a business ; Purchases 630,000 CFAF, Sales 840,000CFAF,Opening stock 51,000 CFAF. Calculate the Gross Profit/loss.
- 261,000 CFAF profit.
 - 159,000 CFAF profit.
 - 159,000 CFAF loss.
 - 261,000 CFAF loss.
-
34. The principle which stipulates that every transaction has a debit entry and a corresponding credit entry is
- accrual principle.
 - recording principle.
 - double entry principle.
 - matching principle.
-
35. In a Departmental store of three departments rents are charged in the ratio 2 : 3 :4. Given that rents for the period were 810,000 CFAF, determine the rents for the second department.
- 90,000 CFAF
 - 270,000 CFAF
 - 180,000 CFAF
 - 360,000 CFAF
-
36. James sold an item for 75,000 CFAF by cheque but recorded the transaction as 57,000 CFAF. What type of error has been made ?
- Transposition
 - Original entry
 - Principle
 - Complete Reversal
-
37. Fixed assets plus working capital refers to
- financial capital.
 - capital used.
 - returns on capital.
 - capital employed.
-
38. A company purchased goods costing 400,000 CFAF and was allowed a trade discount of 10% and cash discount of 2.5 %. What was the amount paid?
- 350,000 CFAF.
 - 351,000 CFAF.
 - 360,000 CFAF.
 - 390,000 CFAF.
-
39. In the book of Isabe, the ledger account of Nange has a debit balance of 9,000 CFAF. What does this mean?
- Nange has paid 9,000 CFAF to the business.
 - The business owes Nange 9,000 CFAF.
 - The business has paid Nange 9,000 CFAF.
 - Nange owes the business 9,000 CFAF.
-
40. An electricity accrual of 45,000CFAF is treated as a prepayment when preparing a trader's profit and loss account. What effect does this have on the trader's net profit?
- It is overstated by 45,000 CFAF.
 - It is understated by 45,000 CFAF.
 - It is overstated by 90,000 CFAF.
 - It is understated by 90,000 CFAF.
-
41. Which of the following statements is correct?
- An expense is always a debit entry.
 - An expense is always a credit entry.
 - An asset is always a credit entry.
 - A liability is always a debit entry.
-
42. Information about a business is as follows:
- | | |
|--------------------|--------------|
| Sale | 100,000 CFAF |
| Gross profit/sales | 20 % |
| Net profit/sales | 10% |
- What is the amount of the expenses?
- 80,000 CFAF.
 - 20,000 CFAF.
 - 30,000 CFAF.
 - 10,000 CFAF.

43. Identify the item recorded in the cash book but which may not be reflected in the bank statement.
- Bank charges.
 - Direct debit.
 - Unpresented cheques.
 - Credit transfer.
-
44. At the year-end a business wrote off a bad debt. What is the effect of this?
- Capital reduced and current assets reduced.
 - Capital reduced and non-current assets reduced.
 - Current Liabilities increased and current assets reduced.
 - Current Liabilities increased and non-current assets reduced.
-
45. Discount allowed is an/a
- asset.
 - capital.
 - income.
 - expense.
-
46. How should subscriptions for 2020 received in 2019 be treated in the Balance sheet for 2019 ?
- Fixed asset.
 - Current liability.
 - Current asset.
 - Long-term Liability.
-
47. How are Current assets arranged in the balance sheet in decreasing order of liquidity?
- Cash ,bank, debtors, stock.
 - Stock, bank, Debtors, Cash.
 - Cash, Debtors, Bank, Stock.
 - Stock, debtors, bank ,Cash.
-
48. Identify the account with a normal debit balance
- Purchases returns account.
 - Discount allowed Account.
 - Discount received account.
 - Commission received account.
-
49. List of balances from the Ledger are used to prepare
- Balance Sheet.
 - Income Statement.
 - Trial balance.
 - Control accounts.
-
50. Machinery is depreciated at 20% per annum using the diminishing (reducing) balance method. A machine, worth 20,000,000 CFAF is sold after two years at book value. What was the sale price of the machine?
- 7,200,000 CFAF
 - 12,000,000 CFAF
 - 16,000,000 CFAF
 - 12,800,000 CFAF

STOP

GO BACK AND CHECK YOUR WORK