

S761/1 June
S. S. C. E. 1995
**BOOK-KEEPING AND
ACCOUNTS 1**
Objective Test
1 hour

THE WEST AFRICAN EXAMINATIONS COUNCIL
NIGERIA
Senior School Certificate Examination

June 1995

BOOK-KEEPING AND ACCOUNTS 1

1 hour

OBJECTIVE TEST

Do not open this booklet until you are told to do so. While you are waiting, read the following instructions carefully.

- Use HB pencil throughout.
- If you have got a blank answer sheet, complete the top section of it as follows.
 - In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - In the spaces marked *Examination, Year, Subject and Paper*, write 'S.S.C.E.', '1995 June', 'BOOK-KEEPING AND ACCOUNTS' and '1', respectively.
 - In the box marked *Index Number*, write down your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - In the box marked *Subject Code*, write down the digits 761017 in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - In the box marked *Sex*, shade the space marked *M* if you are male, of *F* if you are female.
- If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number, Subject Code* and *Sex*, reshade each of the shaded spaces.
- An example is given below. This is for a male candidate, whose name is Hamza Isa AUDU, whose index number is 41230068 and who is offering *Book-Keeping and Accounts 1*.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: AUDU HAMZA ISA Examination: SSCE Year: 1995 June
Surname Other Names

Subject: BOOK-KEEPING AND ACCOUNTS Paper: 1

INDEX NUMBER	
4	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
1	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
2	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
3	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
0	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
0	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
6	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
8	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:

SUBJECT CODE	
7	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
6	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
1	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
0	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
1	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:
7	:0: :1: :2: :3: :4: :5: :6: :7: :8: :9:

Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box: M F

For Supervisors only
If candidate is absent shade this space:

INSTRUCTIONS TO CANDIDATES

- Use grade HB pencil throughout.
- Answer each question by choosing one letter and shading it like this: :A: :B: :C: :D: :E:
- Erase completely any answers you wish to change.
- Leave extra spaces blank if the answer spaces provided are more than you need.
- Do not make any markings across the heavy black marks at the right hand edge of your answer sheet.

Answer all the questions.

Each question is followed by five options lettered A to E. Find out the correct option for each question and shade in pencil on your answer sheet the answer space which bears the same letter as the option you have chosen. Only one answer to each question. An example is given below.

Which of the following documents is used to deposit money into a current account ?

- A. Pass book
- B. Paying-in slip
- C. Bank statement
- D. Cheque book
- E. Credit card

The correct answer is paying-in slip, which is lettered B, and therefore answer space B would be shaded.

[A]



[C]

[D]

[E]

Think carefully before you shade the answer spaces; erase completely any answers you wish to change. Do all rough work on this question paper. Now answer the following questions.

1. Which of the following is the effect of a reduction in the provision for doubtful debts ?

- A. Reduction in net profit
- B. Reduction in cash balance
- C. Reduction in gross profit
- D. Increase in gross profit
- E. Increase in net profit

2. Which of the following is the basis of accounting in the Civil service ?

- A. Accrual
- B. Cash
- C. Income
- D. Expenditure
- E. Profit

3. The reward given to a debenture holder is called

- A. profit.
- B. reserve.
- C. premium.
- D. dividend.
- E. interest.

4. Which of the following is **not** a debit entry on a Sales Ledger Control Account ?
- A. Goods sold
 - B. Cash received
 - C. Dishonoured cheque
 - D. Payments to debtors for claims
 - E. Interest charges
5. If incorrect entries on the debit side equal other incorrect entries on the credit side, the error is that of
- A. original entry.
 - B. omission.
 - C. commission.
 - D. compensation.
 - E. principle.
6. The accounting entries required for increase in provision for doubtful debts are
- A. debit Profit and Loss Account, credit Provision for Doubtful Debts account.
 - B. credit Provision for Doubtful Debts Account, debit Profit and Loss Account.
 - C. debit Trading Account, credit Provision for Doubtful Debts Account.
 - D. credit Trading Account, debit Provision for Doubtful Debts Account.
 - E. credit Debtor's Account, debit Provision for Doubtful Debts Account.
7. Subscription in advance is an example of
- A. prepayment.
 - B. accrual.
 - C. debtors.
 - D. provision.
 - E. reserves.
8. Which of the following is an example of Personal Accounts ?
- A. Stock
 - B. Fixture
 - C. Equipment
 - D. Rent
 - E. Debtors

Use the following information to answer questions 9 to 14.

₦

Sales	45,000
Opening stock	20,000
Closing stock	30,000
Expenses	15,000
Fixed Assets	40,000
Debtors	10,000
Creditors	5,000
Purchases	25,000

9. The cost of goods sold is

- A. ₦ 45,000
- B. ₦ 30,000
- C. ₦ 25,000
- D. ₦ 20,000
- E. ₦ 15,000

10. Net profit is

- A. ₦ 45,000
- B. ₦ 30,000
- C. ₦ 25,000
- D. ₦ 20,000
- E. ₦ 15,000

11. Net profit percentage is

- A. 100%
- B. 67%
- C. 50%
- D. 33%
- E. 22%

12. Current ratio is

- A. 16:1
- B. 15:1
- C. 8:1
- D. 2:1
- E. 0.5:1

13. Working capital is

- A. ₦ 60,000
- B. ₦ 45,000
- C. ₦ 40,000
- D. ₦ 35,000
- E. ₦ 20,000

14. Gross profit percentage is

- A. 100%
- B. 67%
- C. 50%
- D. 33%
- E. 22%

15. Working capital is measured by the excess of

- A. current liabilities over current assets.
- B. fixed assets over current assets.
- C. current assets over current liabilities.
- D. current assets over fixed assets.
- E. long term liabilities over fixed assets.

16. The undistributed profits of a limited liability company is

- A. goodwill.
- B. working capital.
- C. net profit.
- D. retained earnings.
- E. net loss.

Use the following information to answer question 17.

	₦
Balance as per bank statement	240
Amount paid in but not credited	192
Unpresented cheques	70

17. What is the balance as per Cash Book ?

- A. ₦ 362
- B. ₦ 310
- C. ₦ 262
- D. ₦ 240
- E. ₦ 192

Turn over

18. Credit sales were debited to A. Akpan instead of B. Akpan. This is an error of
- principle.
 - original entry.
 - omission.
 - commission.
 - compensation.
19. A list of balances extracted from the ledger is known as
- Balance sheet.
 - Statement of Affairs.
 - Trading Account.
 - Profit and Loss Account.
 - Trial balance.
20. Provision for depreciation on office furniture is charged to
- Capital Account.
 - Profit and Loss Appropriation Account.
 - Trading Account.
 - Profit and Loss Account.
 - Manufacturing Account.
21. Which of the following is not a cause of discrepancy between cash book and bank statement balance
- Deposits in transit
 - Standing order
 - Paid cheques
 - Dishonoured cheques
 - Uncredited cheques
22. The financial plan of the government for a year is contained in the
- vote book.
 - cash analysis book.
 - budget.
 - general order.
 - gazette.
23. When a business is purchased, the double entries required in the purchaser's books are, debit
- Vendor's Account and credit Purchase of Business Account.
 - Asset Account and credit Purchase of Business Account.
 - Cash Account and credit Vendor's Account.
 - Purchase of Business Account and credit Vendor's Account.
 - Vendor's Account and credit Cash Accounts.

24. Which of the following are on the bank statement before reconciliation ?

- (i) Standing order
 - (ii) Payment to a creditor
 - (iii) Receipt from a debtor
 - (iv) Uncredited cheques
 - (v) Unpresented cheques
- A. (i) and (v) only
 - B. (i) and (ii) only
 - C. (i), (ii) and (iii) only
 - D. (i) and (iv) only
 - E. (i), (iv) and (v) only

Use the following information to answer questions 25 to 27.

Debtors Control Account

	₦		₦
Balance b/d	8,000	Bank	"Y"
'X'	12,000	Discount	200
		Balance c/d	3,000

25. 'X' refers to

- A. stock.
- B. returns.
- C. discount.
- D. sales.
- E. purchases.

26. How much is the figure for bank ?

- A. ₦ 20,000
- B. ₦ 17,000
- C. ₦ 16,800
- D. ₦ 12,000
- E. ₦ 8,000

27. The closing balance is a

- A. current asset.
- B. current liability.
- C. fixed asset.
- D. fictitious asset.
- E. long term liability.

Turn over

28. A fund established for the payment of minor expenses is
- A. cash discount.
 - B. cash flow.
 - C. petty cash.
 - D. accumulated fund.
 - E. reserve.
29. The maximum amount which a company can raise by way of selling shares is
- A. issued capital.
 - B. working capital.
 - C. paid-up capital.
 - D. shareholders capital.
 - E. authorized capital.
30. The aggregate of amounts owed to a business by its customers is known as
- A. accounts receivable.
 - B. account current.
 - C. accounts payable.
 - D. accumulated fund.
 - E. debtors' fund.
31. Which of the following does a consignee prepare and send to his consignor ?
- A. Accounts receivable
 - B. Current Account
 - C. Accounts payable
 - D. Accounts Sales
 - E. Consignment Account
32. In the consignee's records, the accounting treatment of expenses paid for on behalf of the consignor is
- A. Consignor's Account, credit Cash Account.
 - B. Cash Account, credit Consignor's Account.
 - C. Consignee's Account, credit Cash Account.
 - D. Cash Account, credit Consignee's Account.
 - E. Account Sales, credit Consignee's Account.
33. Which of the following is a fictitious asset ?
- A. Preliminary expenses
 - B. Fixtures and fittings
 - C. Cash in hand
 - D. Land and buildings
 - E. Investment

Use the following information to answer questions 34 to 38.

The Department of Administration of Odi Naka Chukwu State Water Corporation has the underlisted staff position on 31st December, 1993.

<u>Post</u>	<u>Grade</u>	<u>Number in Post</u>	<u>Rate</u>
Director of Audit	16	1	₦200,000 × ₦20,000 – ₦300,000
Assistant Director (Audit)	15	2	₦160,000 × ₦18,000 – ₦268,000
Asst. Chief Internal Auditor	13	1	₦140,000 × ₦12,000 – ₦224,000
Internal Auditor II	08	2	₦60,000 × ₦6,000 – ₦120,000
Higher Executive Officer (Audit)	08	4	₦60,000 × ₦6,000 – ₦120,000

Note:

(a) All employees are on the first step of their salary

<u>Grade Level</u>	<u>Housing Allowance</u>	<u>Transport Allowance</u>
12 and above	₦24,000 p.a.	₦18,000 p.a.
07 to 11	₦18,000 p.a.	₦12,000 p.a.

34. The total basic salary for the period is

- A. ₦1,368,000
- B. ₦1,224,000
- C. ₦1,024,000
- D. ₦1,020,000
- E. ₦964,000

35. Total housing allowance for the period is

- A. ₦404,000
- B. ₦242,000
- C. ₦204,000
- D. ₦144,000
- E. ₦132,000

Turn over

36. Total transport allowance for the period is
- A. ₦ 404,000
 - B. ₦ 242,000
 - C. ₦ 204,000
 - D. ₦ 144,000
 - E. ₦ 132,000
37. The total emolument for the Assistant Directors is
- A. ₦ 404,000
 - B. ₦ 242,000
 - C. ₦ 204,000
 - D. ₦ 144,000
 - E. ₦ 132,000
38. The total emolument for the Internal Audit Department is
- A. ₦ 1,368,000
 - B. ₦ 1,224,000
 - C. ₦ 1,024,000
 - D. ₦ 1,020,000
 - E. ₦ 964,000
39. Expenditure incurred to maintain an asset's earning capacity is called
- A. capital expenditure.
 - B. revenue expenditure.
 - C. general expenditure.
 - D. tangible expenditure.
 - E. intangible expenditure.
40. Which of the following does **not** relate to a manufacturing concern ?
- A. Balance Sheet
 - B. Profit and Loss Account
 - C. Ledger Account.
 - D. Cash book
 - E. Income and Expenditure Account
41. Which of the following is **not** true of a Trial Balance ?
- A. List taken of the account balances in the general ledger
 - B. Proof of the arithmetical accuracy of the ledger postings
 - C. Summary of data for the preparation of financial statements
 - D. List of accounts abstracted from a subsidiary ledger to check their agreement with the related control accounts
 - E. List of balances ensuring that the accounts are correct

42. The chief accounting officer of Nigeria is called the
- A. Auditor General.
 - B. Chief Accountant.
 - C. Treasurer.
 - D. Accountant General.
 - E. Minister of Finance.
43. Expenses incurred but not yet paid is
- A. contingent liability.
 - B. current liability.
 - C. current asset.
 - D. fixed asset.
 - E. capital expenditure.
44. Which of the following does not lead to depreciation of assets ?
- A. Wear and tear
 - B. Passage of time
 - C. Devaluation of Naira
 - D. Obsolescence
 - E. Usage
45. Which of the following is a capital expenditure ?
- A. Purchase of stock
 - B. Purchase of motor vehicles for sale
 - C. Subscriptions paid
 - D. Extension of building
 - E. Repairs of generator
46. What are the accounting entries for bad debts recovered ?
- A. Debit Debtor's Account, credit Bad Debts Recovered Account
 - B. Credit Debtor's Account, debit Bad Debts Recovered Account
 - C. Debit Debtor's credit Sales Account
 - D. Credit Debtor's Account, debit Sales Account
 - E. Credit Cash account, debit Sales Account.

Turn over

Use the following information to answer questions 47 to 50.

Halima and Ibinabo are partners sharing profits and losses equally. Extracts from their books show:

	<u>Halima</u>	<u>Ibinabo</u>
	₦	₦
Capital Accounts 1st Jan. 1992	100,000	50,000
Current Accounts, 1st Jan. 1992	20,000	40,000
Drawings during the year	10,000	15,000
Annual salaries	14,000	12,000

Interest on capital is 10%. The net profit for the year is ₦60,000.

47. The interest on Halima's capital is

- A. ₦10,000
- B. ₦5,000
- C. ₦4,000
- D. ₦2,000
- E. ₦1,000

48. The share of profit of each partner is

- A. ₦17,000
- B. ₦15,000
- C. ₦10,750
- D. ₦10,000
- E. ₦9,500

49. The balance on Halima's Current Account on 31st December, 1992 is

- A. ₦66,500
- B. ₦53,500
- C. ₦51,500
- D. ₦43,500
- E. ₦33,500

50. The balance on Ibinabo's Current Account on 31st December, 1992 is

- A. ₦66,500
- B. ₦53,500
- C. ₦51,500
- D. ₦43,500
- E. ₦33,500