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Name:	Class:
	C.033.

- 1. Accountant should explain the key results using simple terms, ratios and graphs. This statement is concerned with which of the following accounting functions?
  - A. Recording
  - B. Classifying
  - C. Summarising
  - D. Communicating
- 2. The following tasks are to be performed in an accounting cycle:
  - (1) Balancing off the accounts
  - (2) Recording sales in cash book
  - (3) Prepare a statement of financial position
  - (4) Posting entries to the ledgers

Which of the following is the correct sequence of carrying out the above tasks?

- A.  $(1) \to (2) \to (3) \to (4)$
- B.  $(2) \to (1) \to (4) \to (3)$
- C.  $(2) \to (4) \to (1) \to (3)$
- D.  $(4) \to (2) \to (3) \to (1)$
- 3. When a firm pays a creditor in cash for the goods bought in the previous month, the effects on its assets and liabilities are

Effect on assets Effect on liabilities

A. Reduce cash; Increase inventory No effect

B. Increase cash Increase creditors
 C. Reduce cash Reduce creditors
 D. Reduce cash Increase creditors

4. When a firm repays a bank loan by cheque, the effects on its assets and liabilities are:

Effect on assets Effect on liabilities

A. Increase bank Decrease creditors

B. Decrease cash Increase bank loans

C. Increase cash Decrease creditors

D. Decrease bank Decrease bank loans

5. Which of the following double entries are correct?

Transactions

Account to be debited
Account to be credited

Account to be credited

Purchase

Returned machinery to K Chau Ltd.

Received a cash loan from C Long.

Cash loan
C Long

Times Ltd
Cash loan
C Long

The owner drew cash for personal use.

Drawings
Cash

- A. (1) and (3) only
- B. (2) and (3) only
- C. (2) and (4) only
- D. (2), (3) and (4) only

6.	Which of the following accounts of a firm should be credited when there is an increase in the amount?  (1) Debtors  (2) Capital					
	(3) Customer deposits					
	(4) Bank loans					
	(5) Furniture and fixtures					
	A. (1), (2) and (3) only					
	B. (1), (4) and (5) only					
	C. (2), (3) and (4) only					
	D. (2), (4) and (5) only					
7.	The business returned office furniture to	he business returned office furniture to Sunflower Furniture. The double entry for this transaction should be:				
	A. Dr Purchase returns	Cr Office furniture/Bank/Cash				
	B. Dr Office furniture	Cr Sales returns				
	C. Dr Office furniture	Cr Sunflower Furniture				
	D. Dr Sunflower Furniture/Bank/Cash	h Cr Office furniture				
0	Miliah afaha fallawina ana functiona afa					
8.	Which of the following are functions of a (1) evaluate business performance	accounting:				
	(2) facilitate business planning					
	(3) enhance business competitiveness					
	A. (1) and (2) only	,				
	B. (1) and (3) only					
	C. (2) and (3) only					
	D. (1), (2) and (3)					
9.	Which of the description of the flow of t	the accounting cycle is/are correct?				
<i>J</i> .	•	to ledgers, period-end adjustments are made.				
		I balance, financial statements are prepared.				
	, ,	siness transactions, books of original entry are recorded.				
	A. (1) only	, ,				
	B. (3) only					
	C. (1) and (2) only					
	D. (2) and (3) only					
10.	Which of the following should be recorded	ded as an expense of a firm?				
10.	hich of the following should be recorded as an expense of a firm?  L) wages paid to the part-time workers of the firm in cash					
	<ul><li>(1) wages paid to the part-time worker</li><li>(2) insurance paid for owner's private a</li></ul>					
	(3) rent paid for the firm's warehouse k					
	A. (1) and (2) only					
	B. (1) and (3) only					
	C. (2) and (3) only					
	D. (1), (2) and (3)					

11.		hich of the following effects on the assets, capital and liabilities brought about by the respective transaction in prect?  Transactions  Asset Capital Liability					
	A.		n motor van to the firm.	<u>Asset</u> Increases	Increases	Increases	
	В.	· · · · · · · · · · · · · · · · · · ·	customer as settlement of	Increases	unchanged	decreases	
	C.		loan for the firm by his	unchanged	Increases	decreases	
	D.	Paid rent of the firm for	r the current month in cash	decreases	unchanged	decreases	
12.	Whic	h of the following descri	ptions of 'debit' and 'credit'	in accounting is/are con	rrect?		
	(1)	'Debit' means an increa	ase and 'credit' means a dec	rease in the amount of	an account.		
	(2)	'Debit' side refers to the left-hand side and 'credit' side refers to the right-hand side of an account.					
	(3)	'Debit' balance is positi	ve and 'credit' balance is ne	egative.			
	A.	(1) only					
	В.	(2) only					
	C.	(1) and (2) only					
	D.	(2) and (3) only					
13. W	Whi	nich of the following double entries are correct?					
		<u>Trans</u>	<u>actions</u>	Account to be debited	Account to b	oe credited	
	(1)	Returned goods to supp	pliers	Purchases	Returns o	utwards	
	(2)	Deposited cash into the	e bank account	Bank	Cas	sh	
	(3)	Sold goods to customer	rs on credit	Trade receivables	Sale	es	
	A.	(1) and (2) only					
	В.	(1) and (3) only					
	C.	(2) and (3) only					
	D.	(1), (2) and (3)					
14.	Mis	s Lee drew a personal cheque to pay an electricity bill for her business. Which of the following double entries					
	for	the business is correct?					
		<u>Debit</u>	<u>Credit</u>				
	A.	drawings	cash at bank				
	В.	drawings	capital				
	C.	electricity expenses	cash at bank				
	D.	electricity expenses	capital				
15.	On	1 March 2018, the cash	at bank account and the ca	sh in hand account of a	a firm carried debi	t balances of \$15	
	000	and \$12 000 respectively. Cash sales for the month were \$13 000, of which \$5 000 was kept in the safe and					
	the	remaining cash from sales was deposited into the bank before the month end. During the month, \$9 000 was					
	paid	d for expenses in cash an	d \$26 000 was paid to acqui	re equipment by chequ	e.		
			rried a	on 31 March 2018.			
	A.	credit balance of \$3 00					
C	В.	credit balance of \$6 00					
	C.	debit balance of \$5 000					
	D.	debit balance of \$8 000	)				