

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 1: Accounting

Sample paper

(1 hour)

It is necessary to respond on the answer sheet provided alongside this multiple choice question paper. Additionally, you must have a soft pencil (preferably of type B or HB) and a clean eraser

INSTRUCTIONS:

- You must write your name, candidate number, centre name and centre number on the answer sheet in the designated space.
- This paper consists of 20 questions, and it is essential that you attempt all of them.
- Each question has four options labelled A, B, C, and D. Select the option that you think is correct. Mark it on the multiple-choice answer sheet using a soft pencil.
- It is important to follow the instructions provided on the answer sheet.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

- This paper has a total of 20 marks
- Each question carries one mark, and there is no negative marking for incorrect responses.

OBJECTIVES

[Total 20 marks]

1. The field of recording, analyzing and communicating assets is called:
 - (a) Feasibility
 - (b) Accounting
 - (c) Management
 - (d) Economics

2. After being recorded, journal entries can be posted to:
 - (a) Income statements
 - (b) Financial statements
 - (c) Bank statements
 - (d) Ledger accounts

3. Which of the following is not a current asset:
 - (a) Lamp
 - (b) Equity
 - (c) Bonds
 - (d) Investment

4. The profitability of a business is recorded in:
 - (a) Cash flow statement
 - (b) Balance sheet
 - (c) Equity statement
 - (d) Income Statement

5. The long term assets without a physical existence, but have a value are known as:
 - (a) Intangible assets
 - (b) Budget
 - (c) Journal
 - (d) Fixed asset

- 6.** Capital of a business is directly proportional to:
- (a) Income
 - (b) Drawings
 - (c) Debts
 - (d) Gains
- 7.** Which of the following groups would have access to managerial accounting records:
- (a) Investors
 - (b) Bankers
 - (c) Competitors
 - (d) Managers
- 8.** A debtor is allowed cash discount, it would be credited to:
- (a) Manager's account
 - (b) Debit account
 - (c) Customers account
 - (d) Sales account
- 9.** True and fair profit loss of a business is known by:
- (a) Preparing trading and profit and loss account
 - (b) Preparing income statement
 - (c) Preparing journal entries
 - (d) Preparing ledger account
- 10.** What will happen to the assets once you pay the expenses:
- (a) Reduction
 - (b) Increase
 - (c) Cessation
 - (d) Multiplication

11. Arrange the steps of the accounting process accurately:

- (a) Ledger account, Trial balance, Transaction, Journal Entry
- (b) Trial Balance, Journal Entry, Transaction, Ledger account
- (c) Journal Entry, trial balance, Ledger account, transaction
- (d) Transaction, Journal Entry, Ledger account, Trial balance.

12. Select the ratio that indicates the short term liquidity of a business:

- (a) Inventory Ratio
- (b) Acid Test Ratio
- (c) Debt Ratio
- (d) Equity Ratio

13. Kevin's business purchased goods on credit from his account, which account will be credited:

- (a) Debt account
- (b) Kevin's account
- (c) Sales account
- (d) Profit account

14. Select the real (permanent) account:

- (a) Purchase
- (b) Sales
- (c) Loss
- (d) Goodwill

15. Cost sustained for the maintenance of office will be considered as:

- (a) Revenue expenditure
- (b) Official expenditure
- (c) Capital expenditure
- (d) Deferred expenditure

16. Which type of mistakes are errors:

- (a) Deliberate
- (b) Unintentional
- (c) Known
- (d) Documented

17. The telephone bill of Billy's company is \$ 100 monthly base amount, plus long distance charges. It would be classified as:

- (a) Variable costs
- (b) Semi variable costs
- (c) Direct Costs
- (d) Semi direct costs

18. Bank pass book is also called:

- (a) Bank account
- (b) Bank Pass
- (c) Bank book
- (d) Bank statement

19. Which of the following type of business can be categorized in concept of separate entity:

- (a) Partnership
- (b) Globalization
- (c) Indebted
- (d) Small business

20. Which of the following account type would be increased by debt:

- (a) Expenses and assets
- (b) Liabilities and expenses
- (c) Revenues and equity
- (d) Revenues and liabilities