

2002 UTME Accounts

Questions

1. In preparing the final accounts, the bad debt account is closed by a transfer to the

- A. balance sheet
- B. provision for bad debt account
- C. profit and loss account
- D. trading account.

2. **Given:**

stock (1/4/94)	₦ 800
purchase of flour	2450
sales	4745
wages of bakery staff	675
carriage outwards	50
salary of administrative staff	225
stock (31/3/95)	940
capital	1540

Determine the cost of goods sold

- A. N2575
- B. N2985
- C. N3250
- D. N3925

3. In a petty cash book the imprest is N1380.

Expenses:	N
Stationery	350
Cleaning material	335
General expenses	265

How much was received to maintain the imprest at the end of the month?

- A. N 950
- B. N 970
- C. N430
- D. N380

4. Income statement for the year ended June 30, 2001

	N	N
Office rent	20,000	Revenue 820,000
NEPA (Light)	15,000	
Salary of staff	120,000	
Miscellaneous		
Expenses	?	
Income	?	

A miscellaneous expense is 10% of the revenue.
Calculate the net income

- A. N 583,000
- B. N 563, 000
- C. N 483,000
- D. N 683,000

5. An entry in a subsidiary book which does not form part of the double entry system is a
- A. contra entry
 - B. journal entry
 - C. single entry
 - D. memorandum entry.

6. In an incomplete record, the preparation of bank reconciliation ensures that
- A. all cash takings are banked
 - B. the cash book is correct
 - C. there are no overdraft
 - D. there are no hidden loan.

7. I. Fixtures account
II. Machinery account
III. Wages account
IV. Rent account
- Which of the above are nominal accounts?

- A. III and IV
- B. I and II
- C. I and III
- D. II and III

8. NAFARA & SONS Balance sheet as at 31st December, 1987

	₦
Capital	74480
Creditors	15875
Prepaid expenses	580
Motor vehicles	34750
Furniture	35850
Accured expenses	645
Stock	8100
Cash balance	9911
Debtors	1809

Compute the value of current assets.

- A. N 20400
- B. N 20465

- C. N 35695
- D. N 19820

Use the information below to answer questions 9 and 10

The Assets and Liabilities of Udo Co. Ltd. as at 31st December, 2000

	N
Creditors	50000
Debtors	46000
Loan	10000
Stock	20000
Motor vehicle	120000
Building	70000
Accrued wages	30000
Bank	25000

9. The value of money invested by the owners is

- A. N 110,000
- B. N 105,000
- C. N 101,000
- D. N 100,000

10. The liabilities of Udo Co. Ltd is

- A. N 180,000
- B. N 181,000
- C. N 177,000
- D. N 110,000

11. The normal accounting entry to record the dishonor of a cheque by a business man is

- A. debit cash book and credit suspense account
- B. debit cash book and credit drawer
- C. credit cash book and debit suspense account
- D. credit cash book and debit drawer.

Use the information below to answer questions 12 and 13

Statement of Assets and liabilities as at 31st December, 2001

	N (m)
Shareholder's interest	240
Current liabilities	20
Current assets	110
Fixed assets	140

12. What is the working capital?

- A. N 90m
- B. N 70m

- C. N 100m
- D. N 80m

13. Determine the value of the trade investment

- A. N 8m
- B. N 10m
- C. N 15m
- D. N 20m

14. The concise statement used to explain entries in general journal is known as

- A. narration
- B. summary
- C. information
- D. commentary

Use the information below to answer questions 15 and 16

	N	N	
Opening stock	4500		sales
Purchases	110000		161000
Less returns	6000		less returns
	<u>104000</u>		4000
			<u>157000</u>
Less closing stock	???		
Cost of sales	???		
Gross profit	<u>???</u>		
	<u>157,000</u>		<u>157,000</u>

15. If the total expenses is N20845, what will the net profit for the company during the month?

- A. N 19149
- B. N 16168
- C. N 21655
- D. N 18405

16. The closing stock for the company is

- A. N 72000
- B. N45000
- C. N42500
- D. N31250

17. In a departmental accounting system, which of the following expenses will most likely be apportioned on the basis of turnover?

- A. carriage outwards
- B. carriage inwards
- C. discounts received
- D. return outward

Use the information below to answer questions 18 and 19

	N
Stock of raw materials (1st January)	3000
Direct wages	2500
Direct expenses	1000
Factory overheads	2000
Cost of raw materials used	5500
Stock of finished goods (31 st December)	2000

18. Determine the prime cost

- A. N 7500
- B. N 6500
- C. N 9000
- D. N 8000

19. The cost of goods manufactured is

- A. N 11000
- B. N 12000
- C. N 14000
- D. N 9000

20. I. Orientation
II. Entity
III. Legal status
IV. Finance

Which of the characteristics above distinguishes a profit-making from a not-for-profit –making organization?

- A. I, II, III and IV
- B. I, II and III
- C. II and III
- D. I and II

Use the information below to answer questions 21 and 22

	N
Stock at branch 1 st January at cost	400
Goods sent to branch at cost	8000
Returns to head office	340
Cash sales	9160
Stock at branch 31st December at cost	720

21. What is the gross profit carried to the profit and loss account?

- A. N 1820
- B. N 1640
- C. N 1530

- D. N 1870
22. Calculate the cost of goods credited to the head office trading account.
- A. N 7660
 B. N 7500
 C. N 7460
 D. N 7200
23. Nasara Manufacturing Plc has three direct labour employees that work 40 hours each a week for 50 weeks a year. Factory overhead costs of N60, 000 is distributed on the basis of direct labour hours. Compute the overhead rate.
- A. N12 per hour
 B. N16 per hour
 C. N10 per hour
 D. N15 per hour

Use the information below to answer questions 24 and 25

Receipts and payments Account (Extract)

Receipts		Payments	
N		N	
Bal. b/d	4000	motor vehicle	
Expenses	1200	insurance	3000
Subscription received	?	Ambulance expense	12500
donation received	6000	Balance c/d	?
Refreshment sales	1000		

Subscription received is always put at 125% of the total donations received and refreshment sales.

24. What is the closing cash balance?
- A. N 11500
 B. N 12000
 C. N 13000
 D. N 13500
25. Compute the subscription received
- A. N 30000
 B. N 28000
 C. N 24000
 D. N 20000

Use the information below to answer questions 26 and 27

	Total	Dept. P	Dept. Q
	N	N	N
Sales	1000	6000	4000
Purchases	4000	1000	3000
Discount received	1000	?	
Discounts allowed	200		?

Discount allowed and received are apportioned to the two departments on the basis of departmental sales and purchases

26. Department P's share of discount received is

- A. N750
- B. N1000
- C. N250
- D. N500

27. What is department Q's share of discount allowed?

- A. N2000
- B. N1500
- C. N800
- D. N1200

Use the information below to answer questions 28 and 29

Income and Expenditure Account	
N	N
Wages	1200
Electricity	5000
Depreciation:	
Furniture	1000
Other expense	?
Expenses of income	
Over-expenditure	?
	Subscription Received
	2000
	Donations Received
	1000
	profit on sale of investment
	5000

It is the tradition of the club to write off an amount equal to 25% of the subscriptions received as other expenses.

28. What is the amount to be written off as other expenses?

- A. N4500
- B. N6000
- C. N4000
- D. N5000

29. Determine the club's excess of income over expenditure.

- A. N12000

- B. N15000
- C. N10000
- D. N14500

30. The gross profit on manufactured goods is the difference between the cost of goods manufactured and the ...
- A. market value of goods produced
 - B. prime cost of production
 - C. indirect cost of production
 - D. goods produced
31. Given that 1/3 of the N6000 stock held by a branch is purchased from outsiders. If goods are invoiced to branch at 25% on cost, the provision for unrealized profit is
- A. N1000.00
 - B. N333.33
 - C. N666.66
 - D. N800.00

A.S.D. Club Balance Sheet (Extract)

	N		N
Accumulated fund	6,000	Motor Van	4000
Add surplus income	1,000	Stock	3500
		Debtors for	
		Subscriptions	1000
Creditors for supplies	1,000	Bank	1500
Subscription			
Advance	2,000		
	10,000		10,000

32. The working capital of the club is
- A. N5000
 - B. N4000
 - C. N3000
 - D. N7000
33. Costs that vary in proportion to the level of production in a manufacturing environment are known as
- A. control costs
 - B. overheads
 - C. direct costs
 - D. indirect cost
34. A company operating a chain of retail provision stores invoices to the branches at cost plus a mark-up of 25%. What is the mark-up percentage on selling price?

- A. 35%
- B. 30%
- C. 20%
- D. 15%

35. Given:

	N
Cash purchases	25000
Trade creditors	45000
Opening balance of trade creditors	35000

Calculate the purchases for the prepaid.

- A. N80,000
- B. N35,000
- C. N105,000
- D. N70,000

36. Which method of pricing can be used satisfactorily in either a rising or falling price situation?

- A. standard price
- B. market price
- C. FIFO
- D. average method

37. Given:

	N
Capital at start	3250
Capital at close	6250
Additional capital during the period	1000

Calculate the profit or loss.

- A. N8500 loss
- B. N2000 loss
- C. N2000 profit
- D. N8500 profit

38. In a control account, discount received is found on the

- A. debit side of the purchases ledger control account
- B. debit side of the sales ledger control account
- C. credit side of the purchases ledger control account
- D. credit side of the sales ledger control account

39. In a complete record system, a trading account cannot be prepared until the

- A. day book has been balanced
- B. amount of personal drawings has been established
- C. cash book has been balanced
- D. amount of sales and purchases has been established

Use the information below to answer questions 40 and 41

Date	Qty (Units)	Rate N	Total N
January 2 nd	500	25	12500
March 7 th	250	28	7000

Issues were made as follows:

Date	Qty. (Units)
January 9 th	200
February 14 th	200
March 11 th	200

40. The closing stock on March 11th by LIFO valuation is
- A. N4200
 - B. N2700
 - C. N4500
 - D. N3900
41. The value of closing stock as at February 14th by simple average method is
- A. N3900
 - B. N2500
 - C. N4100
 - D. N2700
42. Given an incomplete record without sufficient information to determine profit, the necessary thing to do is to
- A. draw up the statement of affairs
 - B. draw up a T-account to establish the amount
 - C. compare the journal entries with the cash book
 - D. cross-check the cash book for further information
43. Control accounts help to verify the arithmetic accuracy of the postings from the
- A. subsidiary book into the trial balance
 - B. ledgers into the trial balance
 - C. Journals into the ledger
 - D. subsidiary books into the ledgers
44. Keeping records under the single entry system has the advantage of
- A. quality in terms of records
 - B. completeness in terms of records
 - C. accuracy in terms of operation
 - D. simplicity in terms of operation
45. Given:
- | | |
|-------------------------------|---------|
| | N |
| Sales | 195,200 |
| Stock 1 st January | 34,000 |
| Purchases | 126,000 |
| Sales returns | 1,200 |
| Purchases | 2,000 |

If the gross profit is N66,000, what is the value of stock at 31st December?

- A. N30,000
- B. N40,000
- C. N50,000
- D. N20,000

46. Given:

	N(m)
Balance at 31 st December	14,744
Treasury Bills issued Jan-Dec	7,124
Revenue for the year	6,387
Expenditure	8,767

What is the opening balance on the consolidated revenue fund account?

- A. N10, 000m
- B. N12, 000m
- C. N90, 00m
- D. N11, 000m

Use the information below to answer questions 47 and 48

The partnership agreement between Abba, Baba and Kaka contains the following provisions:

- (i) 5% interest to be paid on capital and no interest to be charged on drawings
- (ii) Profit and losses to be shared in the ratio 3:2:1 respectively
- (iii) Net profit as at 31/12/95 N2, 250

	Abba	Baba	Kaka
	₦	₦	₦
Capital	5000	4000	3000
Current account	250	100	175
Salary	300	300	-
Drawings	600	500	250

47. Abba's capital balance at the end of the year will be

- A. N5475
- B. N5725
- C. N4400
- D. N5000

48. Current account balance of Kaka at the end of the year will be

- A. N250
- B. N350
- C. N175
- D. N325

49. Upon the dissolution of the partnership, the partnership Act provides that the amount realized should be
- used to pay all taxes due to government
 - used to start a new partnership business by members who are willing
 - shared equally by the existing partners
 - used in paying the debts and liabilities of the firm to person who are not partners
50. In the public sector, the method of accounting that reports revenues and expenditures in the period in which they are received and paid is called
- fund accounting
 - commitment accounting
 - cash accounting
 - accrual accounting

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Answers

1. Ans: Option C. Explanation: In closing a bad debt account the amount is transferred to the profit and loss account as a change against profit.

2. Ans: Option B. Explanation:
Determining cost of goods sold

Opening stock:-----	800
Add Purchase:-----	<u>2450</u>
	3250
Less Closing Stock:-----	<u>940</u>
	2310
Wages:-----	<u>675</u>
	<u>2985</u>

3. Ans: Option: A.

4. Ans: Option A. Explanation:

Office rent	2000	Revenue	820,000
NEPA(Light)	15,000		
Miscellaneous	82000		
Net Income	<u>583,000</u>		
	<u>820,000</u>		<u>820,000</u>

5. Ans: Option: D. Explanation: Memorandum entries are entries recorded in the cash book to modify recording process of discount allowed and discount received accounts.

6. Ans: Option: B. Explanation: Incomplete record is a system of accounting where most records are not recorded. This will affect the cash book and will be count when bank reconciliation is prepared.

7. Ans: Option A. Explanation: Nominal accounts are accounts of intangible assets, expenses and revenue accounts. Wages and rent accounts are expenses accounts.
8. Ans: Option A. Explanation: Current assets are assets that exist for only short-term. They are also called circulating assets because of their changing nature.

Composition.

Stock-----	8100
Debtors-----	1809
Prepaid Expenses-----	580
Cash Balance-----	<u>9911</u>
	<u>20,000</u>

9. Ans: Option C. Explanation:
 Owner Investment = Total Asset less Liabilities

Building-----	70,000
Motor Vehicle-----	120,000
Debtors-----	46,000
Stock-----	20,000
Bank-----	<u>25,000</u>
	281000
Less Liabilities-----	<u>180,000</u>
	<u>101,000</u>

10. An: Option A. Explanation:

Liabilities of UDO Co. Ltd

Creditors-----	50,000
Loans-----	100,000
Accrued Wages-----	<u>30,000</u>
	<u>#180,000</u>

11. Ans: Option D.
12. Ans : option A. Explanation: Working Capital is Current asset less Current liabilities.
 #110 - # 20 equals #90million
13. Ans: Option B. Explanation: Value of trade investment is Net Assets minus Shareholder's interest
 #250m - #240m Equals #10m.

14. Ans: Option A.

15. Ans Option D.

16. Ans: Option D.

17. Ans: Option A. Explanation: Carriage outwards is the amount spent in transporting goods customers it is therefore an expense to be apportioned on the basis of turnover.

18. Ans: Option C. Explanation:

Direct Materials-----	5500
Direct Wages-----	2500
Direct Expenses-----	1000
Prime Cost-----	<u>9000</u>

19. Ans: Option A. Explanation:

Prime Cost-----	9000
Factor Overhead-----	2000
Cost of Goods Manuf.	<u>#11000</u>

20. Ans: Option A. Explanation: The former is financed by money contributed by the owner the owner while the latter is financed by: subscription, donations, fines, etc.

All the above characteristics distinguish the two Organizations.

Orientation - One is set up majorly to make profit unlike the other is not strongly concerned with profit.

Entity- The former is owned by serious-minded people who see to the day-to-day running of the business while the latter manages treasure.

Legal status - Because of the nature of the former, it always has a very strong legal backing while the latter may not.

21. Ans: Option A. Explanation:

Cash Sales-----	9160
Less: Opening stock-----	400
Goods sent less Returns-----	<u>7660</u>
	8060
Closing Stock-----	<u>720</u>
	7340
	<u>#1820</u>

22. Ans: Option A. Explanation

Goods sent from Office-----	8000
Returns-----	<u>340</u>
	<u>#7660</u>

23. Ans: Option C. Explanation:

No of employees-----	3
No of hours per week per person-----	40hours
No of weeks worked per year-----	50weeks
No of hours per person per year-----	2000hours
Total No of hrs worked per year	
2000 X 3 =	6000hours

To find Overhead rate based on direct labour hours $N \frac{6000}{60} = N10$ per hour.

24. Ans: Option A Explanation:

Receipt and Payment Account

Bal. b/d	4,000	Motor Vehicle	12,000
Subscription	20,000	Insurance	3,000
Donation	6,000	Ambulance	12,500
Refreshments	10,000	Bal c/d	<u>12,500</u>
			<u>#40,000</u>

Closing balance = #12,500

25. Ans: Option D. Explanation: Donation-----6000
 Sales of Refreshment-----10,000
16,000

Subscription received 125% of #16,000 equal #20,000.

26. Ans: Option C. Explanation: Total Purchase-----4000
 Total Disc. Received-----1000
 P's portion = $\frac{1}{4} \times N1,000 = N250$

27. Ans: Option C. Explanation:
 Total Sales -----#10,000
 Total Discount Allowed-----#20,000
 Q's Portion = $\frac{4}{10} \times N2,000 = N800$

28. Ans: Option D. Explanation:
 Subscription received-----#20,000
 Other exp. 25% of Sub. = $\frac{25}{100} \times N20,000 = N5,000$.

29. Ans: Option A. Explanation:

	Income and	Expenditure Account	
Wage	1200	Subscription	20,000
Electricity	5000	Donation	1000
Depreciation	1000	Profit on sale of Inv.	5000
Other exp.	5000		
Bal c/d	<u>13800</u>		
	<u>26,000</u>		<u>26,000</u>

Excess of income over expenditure = #13800.

30. Ans: Option A. Explanation: Gross profit on manufacturing is also known as mark-up and always expressed as a percentage of cost of goods sold/manufactured. Market value is price at which the company would buy the goods if not produced by itself.

31. Ans: Option D. Explanation:
 Total Stock held-----6000

$\frac{1}{3}$ bought outside-----2000
 Market value of goods sent for H.O----- 4000
 25% on cost = 20% on market value(by principle) $\frac{20}{100} \times N4,000 = N800$

32. Ans: Option C. Explanation: Working Capital = CA – CL

Stock-----	3500
Debtors-----	1000
Bank -----	<u>1500</u>
Current Assets-----	6000
Creditors-----	1000
Sub. Advan-----	2000
	<u>3000</u>
	<u>3000</u>

33. Ans: Option C. Explanation: Direct costs also known as prime cost are vary directly with level of production. The three costs that made up of direct costs are direct materials, labour and expenses.

34. Ans: Option C. Explanation: Let the cost price be 100% mark-up 25%(given)

Invoice = (100 + 25)% = 125%

Mark-up% to selling price = $\frac{25}{125} \times 100$. Equals 20%.

35. Ans: Option B. Explanation:

Purchase & Ledger Control Account

Bal c/d	45000		Bal b/d	35000
			Purchase	10000
				<u>45000</u>

Purchase for the period = Cash of credit purchase
 = #25000 + #100,000 #35,000

36. Ans: Option A.

37. Ans: Option C. Explanation: Capital at close-----6250

Less; Capital at start-----3250

Addition-----1000 4250

Net Profit-----2000

38. Ans: Option A. Explanation: Discount received is a reduction on the amount owed the supplier. Therefore, it should be found on the debit side of purchases ledger control account where cash payment appeared.

39. Ans: Option D. Explanation: Major elements of Trading Account are Sales and Purchase figures. Infact, without any of the two there cannot be Trading account.

40. Ans: Option D. Explanation: Calculation of Closing Stock based on LIFO at March 11th.

Balance of 2nd Jan. receipt 100 @ #25 = #2500

Balance of Mar. receipts 50 @ #28 = 1400

Value of closing at 11th Mar. = #3900

41. Ans: Option B. Explanation: There is only one supply between Jan and Feb 14th. The balance as at the date is 100 units @ #25. Thus, we have N25 x 100 = #2500.
42. Ans: Option A. Explanation: When final account is to be prepared from incomplete record and Single entry system of accounting, the first step is to draw-up a statement of affairs. Since determination of profit involves at least one final account i.e., trading, profit and loss Account. It is necessary that statement of affairs be written up.
43. Ans: Option D. Explanation: Subsidiary books are not account on their own they are just memorandum in nature. Most of them are kept to reduce the volume of records that will be posted to normal account like sales and purchases accounts. Figures in control accounts are posted from these subsidiary books. It can easily detected from control account if there is any mistake.
44. Ans: Option D. Explanation: The only advantage that can be derived from single entry system of account is its simplicity in term of operation. It does not take into consideration the principle of double entry or border to have final account figure.

45. Ans: Option A. Explanation: To determine closing stock;

Cost of goods available for sales	
Opening stock-----	34000
Purchases less returns-----	<u>124000</u>
	158,000
Less cost of goods sold	
Sales less returns-----	194000
	<u>(66000)</u> <u>128000</u>
Closing Stock-----	<u>30,000</u>

46. Ans: Option A. Explanation: Ascertainment of share of profit:

Net profit b/d-----	2250
Less; Int. on capital-----	600
Salary-----	<u>600</u> <u>1200</u>
Divisible profit-----	1050
Share of profit	
Abba $\frac{3}{6} \times N1050 =$	525
Baba $\frac{2}{6} \times N1050 =$	350
Kaka $\frac{1}{6} \times N1050 =$	<u>175</u>
	<u>1050</u>

47. Ans: Option D. Explanation: The partners maintained fixed capital method; no adjustment will be made on their capital; items like interest on capital, drawings, etc, will be taken care of in the current account. So there will be changes in the capital balance.

48. Ans: Option A. Explanation:

<u>Current Account –kaka extract.</u>			
Drawings	250	Balance b/d	175
Balance c/d	<u>250</u>	Int. capital	150
		Share on profit	<u>175</u>
	<u>500</u>		<u>500</u>

49. Ans: Option D. Explanation: The proceeds from assets of partnership will be used to settle outsider first i.e., the creditors of the partnership. The rest will then be used to settle the partners as agreed upon in the deed of partnership.

50. Ans: Option C. Explanation: Cash accounting method recognizes Income/Revenue when it is received and expenditures when they are paid for. This is in contrast to accrual accounting method that recognizes revenue and expenditures when they are earned and incurred, not necessarily when cash is involved.

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Questions

- Which of the following is used to update the cash book in bank reconciliation?
 - Interest received and unrepresented cheques
 - Commission and debit note
 - Unrepresented cheques and direct credit
 - Interest received and direct credit
- The two legally recognized professional accounting bodies in Nigeria are the
 - Institute of Certified Public Accountant and the Institute of Coast and management Accountants of Nigeria
 - Association of Accountants of Nigeria and the Institute of Management Accountants of Nigeria
 - Institute of Chartered Accountant of Nigeria and the Association of National Accountants of Nigeria
 - Nigerian Accounting Association and the Executive Cost and Management Accountants of Nigeria
- Verifiability in accounting is only possible when there are
 - minutes of meetings
 - payment vouchers
 - source documents
 - audit Certificates.

Use the information below to answer questions 6 and 7

	N
Capital	2 000
Bank	1 200
Purchases	2 500
Sales	6 700
Stock	1 300
Creditors	1 000
Fixed assets	3 700
Drawings	?

Drawings are always estimated at 50% of capital.

4. The trial balance total is
 - A. N9 700
 - B. N8 700
 - C. N7 900
 - D. N7 800

5. compute the amount withdrawn
 - A. N2 000
 - B. N1 500
 - C. N1 250
 - D. N1 000

Use the information below to answer questions 6 and 7

Ezekiel Malgwi is a retailer. He recorded sales representing 95% cash and 5% credit. He took the total cash sales of N19 000 from the business tray and banked it.

6. The credit sales for the period would be
 - A. N5 000
 - B. N1 900
 - C. N1 000
 - D. N 950

7. The transaction would be recorded in the cash book
 - A. cash and credit bank
 - B. bank and credit cash
 - C. cash and credit cash
 - D. bank and credit bank

8. Which accounting concept supports the assertion that economic reality takes precedence over legal issues?
 - A. realization concept
 - B. substance over form
 - C. conservatism
 - D. measurement concept

9. The transaction that completes its double entry in the same ledger account appears in
- cash account and personal account
 - bank account and general ledger
 - discount received and discount allowed
 - cash account and bank account

10. Given:

	N
Capital	1 000
Liabilities	500
Assets	1 500

The accounting equation can be expressed as

- $\text{N}1000 + \text{N}500 + \text{N} 1500 = \text{N}3000$
 - $\text{N}1000 - \text{N}500 + \text{N} 1500 = \text{N}2000$
 - $\text{N}1000 + \text{N}500 = \text{N} 1500$
 - $\text{N}1500 + \text{N}500 = \text{N} 2000$
11. The recording phase of accounting is known as
- book keeping
 - trial balancing
 - ledger accounting
 - final accounting

Use the information below to answer questions 12 and 13

Motor vehicle account as at 31st December, 2001

	N
Debit:	
Jan. 1, cost	1 950 000
Dec. 31, Addition	400 000
Credit:	
Jan. 1, Depreciation	1 360 000
June 30, Sales proceeds	700 000

The vehicle sold was purchase on January 1, 1998 at a cost of N1,000,000 and had depreciated at 25% on cost.

12. Assuming that depreciation is charged on the addition of the year
- N111 000
 - N280 000
 - N289 000
 - N340 000
13. What is the actual profit or loss arising from the vehicle as at 31st December 2003?
- N250 000 loss
 - N50 000 loss
 - N450 000 profit

D. N575 000 profit

14. Given:

- I. order of performance
- II. order of liquidity
- III. Vertical order
- IV. Horizontal order

The orders in which a balance assets is arranged are

- A. I and II
- B. I and IV
- C. II and III
- D. III and IV

Use the information below to answer questions 15 and 16

	N	N
Capital	24 000	
Land and building	18 470	
Mortgage on premises		11 090
Drawings		3 000
Profit and loss	3 600	
Furniture and fittings		5 120
Motor vehicles	3 462	
Closing stock	3 000	
Debtors	11 474	
Creditors		7 354
Cash	<u>1 518</u>	
	<u>46 044</u>	<u>46 044</u>

15. What is the capital employed?

- A. N44 600
- B. N43 052
- C. N43 044
- D. N38 600

16. Calculate the value of fixed assets

- A. N15 992
- B. N18 470
- C. N27 000
- D. N27 052

17. Provision for discount allowed can be recorded as a debit to

- A. the profit and loss account and a credit to provision for discount allowed
- B. provision for discount allowed and a credit to the profit and loss account
- C. discount allowed and a credit to the profit and loss account
- D. expenses and a credit to customers' account

Use the information below to answer questions 18 and 19

Date	Details
Feb 1	purchased 400 unit at N1.00 each
" 5	purchased 200 unit at N2.00 each
" 10	purchased 200 units at N3.00 each
" 15	issued 320 units
" 20	purchased 200 units at N4.00 each
" 25	Issued 120 units

18. Calculate the price per unit of closing stock using the periodic weighted method.
- A. N3.20
B. N3.00
C. N2.20
D. N2.00
19. Using the periodic simple average method, the cost per unit is
- A. N4.25
B. N3.25
C. N2.25
D. N1.25

Use the information below to answer question 20 and 21

Purchases ledger control account

	N	N
	Balance b/d	2900
Discount received	1000	credit purchases ?
Bills payable	1500	bills payable dishonored 1600
Cash paid to Suppliers		8000
Returns outwards	3 000	Dishonored cheques 2000
Balance c/d	?	
	?	
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

20. Calculate the closing balance of the ledger account
- A. N6 900
B. N6 400
C. N5 000
D. N4 000
21. Determine the credit purchases
- A. N15 500
B. N13 500

- C. N13400
D. N12 000
22. In a control account, provision for bad debt is found on the
A. debit side of the purchase ledger control account
B. debit side of the sales ledger control account
C. credit side of the purchases ledger control account
D. credit side of the sales ledger control account
23. The stock valuation data is important because it enable management to
A. separate debtors from creditors
B. determine the cost of stock at the end of business
C. determine the cost of stock at the beginning of the business
D. determine the total cost of goods purchased
24. During the year ended 31st December 2001, Nuju Enterprises paid rent as follows
Jan. 20 N24 000 for a period of 4 months
May 16 N30 000 for a period of 5 months
Oct. 15 N36 000 for a period of 6 months
What is the overpaid portion of the rent?
A. N36 000
B. N18 000
C. N12 000
D. N6 000
25. Advertising expense incurred on a product in a business organization should be charged to
A. production department
B. sales department
C. administration department
D. purchases department
26. Four broad classifications of overheads are
A. production selling and material
B. production, selling, distribution and administration
C. selling, distribution, production and wages
D. selling, distribution, administration and material
27. Given:
- | | N |
|---|--------|
| Cost of raw material issued to production | 37 000 |
| Opening stock of raw material | 2 000 |
| Purchases of raw material | 38 000 |
| Wages | 5 000 |
- What is the closing stock of raw material?
A. N4 000
B. N3 000

- C. N2 000
- D. N1 000

Use the information below to answer questions 28 and 29

PQ Manufacturing Company	
	N
Raw materials (1/1/2001)	3 500
Raw materials (31/12/2001)	4 900
Purchases of raw materials	56 000
Salary	63 000
Wages	148 050
Factory lighting	3 080
Plant Depreciation	2 800
Factory insurance	2 170

28. The overhead cost is
- A. N71 050
 - B. N68 250
 - C. N67 970
 - D. N66 080
29. The company consumed raw materials worth
- A. N54 600
 - B. N56 000
 - C. N57 400
 - D. N59 500
30. Income on expenditure account is more informative than receipts and payments account because it discloses
- A. cash
 - B. cheques
 - C. debtors
 - D. stocks
31. A company has two department X and Y. Y transferred goods to X at a profit margin of 25%. N10 000 worth of goods was not sold at the end of the accounting period. How much is the unrealized profit?
- A. N2 000
 - B. N2 500
 - C. N12 000
 - D. N12 500

32. Given:
Rich Social Club

	N
Cash	100 000
Loan	30 000
Subscription in arrears	5 000
Subscription in advance	15 000

What is the accumulated fund?

- A. N60 000
B. N80 000
C. N90 000
D. N110 000
33. A company has departments M and N. The expenses incurred wholly in M is N5 000. General expenses incurred amount to N25 000. Expenses are apportioned in the ratio 2:3 for departments M and N respectively. What is N's share of the expenses?
- A. N10 000
B. N15 000
C. N18 000
D. N20 000

Use the information below to answer questions 34 and 35

	N
Total sales of ticket	300 000
Amount received from the sales	260 000
Cash purchase of club house	100 000
Credit purchase of equipment	60 000
Electricity bill paid	5 000
Salaries owed	2 000

34. What is the receipt and payment account balance?
- A. N260 000
B. N233 000
C. N155 000
D. N100 000
35. What is the balance of the income and expenditure account?
- A. N300 000
B. N293 000
C. N193 000
D. N133 000
36. The first step in converting a single entry to a double entry system of book keeping is to prepare a
- A. suspense account

- B. statement of affairs
- C. realization account
- D. trial balance

37. Emeka Enterprises
Statement of Affairs at start

	Assets		liabilities
	₦		₦
Cash	70 000	Creditors	85 000
Inventory	58 000	Bank loan	60 000
Machine	<u>100 000</u>		
	<u> </u>		<u> </u>
	<u> </u>		<u> </u>

What is the capital at start?

- A. N53 000
 - B. N63 000
 - C. N73 000
 - D. N83 000
38. Receipt and payment account is the summary of
- A. income and expenditure
 - B. cash book
 - C. balance sheet
 - D. supplementary warrant

39. Given:

	₦
Total debtors b/d 31/12/99	25 000
Cheques received from debtors	255 000
Total debtors c/d 31/12/00	15 000

Determine the sales figure.

- A. N295 000
 - B. N265 000
 - C. N245 000
 - D. N215 000
40. Which of these is a capital expenditure warrant?
- A. provisional general warrant
 - B. development fund general warrant
 - C. reserved expenditure general warrant
 - D. supplementary warrant

41. For the purpose of conversion of a partnership to a company, a total purchase consideration of N3.6m was paid. If 30% of the purchase consideration was in cash and the rest by 50k shares, how many shares were issued?

A. 1 080 000

- B.2 160 000
- C.3 600 000
- D.5 040 000

42. Given:
- I. the consolidated revenue fund balance b/d N650 000
 - II. Issues from contingency amounted to N240 000
 - III. Amount transferred to contingency fund is N210 000
- What is the consolidated revenue fund balance?
- A. N1 100 000
 - B. N680 000
 - C. N440 000
 - D. N410 000

Use the information below to answer questions 43 and 44

	N
Goods from head office	13 400
Returns to head office	118
Rates and insurance paid	188
Wages paid	913
Cash remitted to head office	16 625
stock at 1/1/2000	1 875
Rent paid 19	325
Stock at 31/12/2000	1 975
Sundry expenses	200

43. The profit realized from the trade is
- A. N4 069
 - B. N1 817
 - C. N1 440
 - D. N1 328
44. What is the total expenses?
- A. N1 875
 - B. N1 764
 - C. N1 626
 - D. N1 426
45. The necessary accounts to be opened on the issue of ordinary share capital are
- A. preference share capital, cash and allotment accounts
 - B. bank and ordinary share capital accounts
 - C. cash and ordinary share capital accounts
 - D. nominal value and ordinary share capital accounts
46. The amount of each invoiced goods sent to the branch is debited to
- A. branch expense account credited and to branch debtors' account
 - B. branch stock account and credited to the goods' sent to branch account
 - C. branch debtors' account and credited to branch expense account

- D. goods sent to branch account and credited to branch expense account

Use the information below to answer questions 47 and 48

ZEBRA PLC				
Balance sheet as at 31 st March, 2002				
	N		N	N
Capital	100 000	Fixed assets:		
Current		Land and		
		Buildings	50 000	
Creditors	30 000	furniture	10 000	60 000
		Current		
		Assets:		
		Stock	30 000	
		Debtors	30 000	
		Cash	10 000	70 000
	130 000			130 000

The business was acquired on 1st April, 2002 at a purchase consideration of N120 000 by SOZ. All assets and liabilities were taken over except the cash. To open the new firm's bank account, additional N20, 000 was paid to the bank.

47. The goodwill on purchase is
- N90 000
 - N30 000
 - N19 000
 - N18 000
48. Calculate the net worth of the business
- N120 000
 - N90 000
 - N80 000
 - N30 000
49. Gross profit in the branch adjustment account is transferred to the branch
- trading account
 - receipts and payment account
 - profit and loss account
 - income and expenditure account
50. Mamsa Nigeria Limited issued 20 000 ordinary shares of N1.50 per share on 2nd July 2002. 1 5000 ordinary share were fully subscribed for and their monies received as below
- | | N |
|--|------|
| On application | 0.40 |
| On allotment | 0.20 |
| First call (including premium of 0.50) | 0.70 |
- The last and final call was yet to be made.
- What is the balance of the ordinary share capital account after the first call was received?

- A. N 300
- B. N1 050
- C. N1 200
- D. N1 950

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Answers

1. Ans: Option D. Explanation: Interest received and direct credit are found in the bank's statement when received. It is then that the cash book would be updated.
2. Ans: Option C.
3. Ans: Option C. Explanation: Source Documents captured relevant details relating to financial transaction as they occurred, there verifiability is possible in accounting is with source documents.
4. Ans: Option A. Explanation:

<u>Trial Balance</u>		
	Dr	Cr
Capital		2000
Bank	1200	
Purchase	2500	
Sales		6700
Stock	1300	
Creditors		1000
Fixed Assets	3700	
Drawings	<u>1000</u>	-----
	<u>9700</u>	<u>9700</u>

5. Ans: Option D. Explanation
 Drawings 50% of capital.
 Capital #2000(given).
 $Therefore, drawings = \frac{50}{100} \times N2,000 = N1,000.$
6. Ans: Option C. Explanation:
To determine credit sales
 Cash sales 95% of Total sales
 Cash sales #19000(given)
 $Total sales = \frac{100}{95} \times N19,000 = N20,000$
 $Credit sales = \#20,000 - \#19,000 = \underline{\#1000}.$
7. Ans: Option B. Explanation: The transaction will be recorded in the cash book as debit bank and credit cash with #19000. The rule that says "Debit the receiver and Credit the giver" applies here. It is a contra entry.
8. Ans: Option B.

9. Ans: Option D. Explanation: Cash and Bank Account complete the double entry in the cash book.

10. Ans: Option C. Explanation: Accounting Equation

Capital = Assets less Liabilities

Capital + Liabilities = Assets

Thus, #1000 + #500 = #1500

11. Ans: Option A. Explanation: Source documents are recorded at the recording phase; this is known as book-keeping.

12. Ans: Option C.

13. Ans: Option D. Explanation: Written down value of the vehicle disposed #125,000

Sales processed 700,000

Less written down value 120,000

#575,000

14. Ans: Option D. Explanation: A balance sheet can be arranged whether in vertical or horizontal orders.

15. Ans: Option C. Explanation: Capital employed is Fixed asset plus Working capital or Net Assets i.e., Total Assets minus Current liabilities.

16. Ans: Option D. Explanation: Fixed Assets

Land and Building-----18470

Furnitures and fittings----- 5120

Motor Vehicle----- 3462

27052

17. Ans: Option C. Explanation: Provision for discount allowed is an attempt to change against profit losses which are certain to be incurred but the amount cannot be accurately calculated. The entries will debit profit and loss account and credit provision for discount allowed account with the amount of provision.

18. Ans: Option C. Explanation:

19. Ans: Option C. Explanation: Simple Average Method

Date	Price (N)
------	-----------

Feb. 1	1
Feb. 5	2
Feb. 10	3
Feb. 20	4

N10

Therefore, cost per unit = $\frac{N10}{4} = N2.50$

20. Ans: Option C.

21. Ans: Option D.
 22. Ans: Option D. Explanation: Provision for bad debt is found on the credit side of the sales ledger control account as a deduction from total debtors.

23. Ans: Option B.

24. Ans: Option B. Explanation: It is assumed that half of the payment have utilized by 31st Dec 2001 so the overpayment is #18,000.

25. Ans: Option B.

26. Ans: Option B.

27. Ans: Option B. Explanation:

Opening Stock of R.M-----	2000
Purchases-----	<u>3800</u>
	40000
Less Mat. Issued to Producer-----	<u>37,000</u>
Closing Stock-----	<u>#3,000</u>

28. Ans: Option A. Explanation:

<u>Overhead cost</u>	
Factory lighting-----	3080
Plant Depreciation-----	2800
Factory Insurance-----	<u>2170</u>
	<u>8050</u>

29. Ans: Option A. Explanation:

Opening stock of raw material-----	3500
Purchases-----	<u>56000</u>
	59,500
Less; Closing Stock of R.M-----	<u>4,900</u>
	<u>54,600</u>

30. Ans: Option C. Explanation: Income and expenditure account discloses especially members that owe subscriptions.

31. Ans: Option B. Explanation: Goods worth #10,000 will be sold for #12,500 i.e., Cost + 25% profit,

$$\text{Unrealized profit will be } \#12,500 - \#10,000 = \#2,500$$

32. Ans: Option A. Explanation: Accumulated fund

Cash-----	#100,000
Subscriptions Arrears-----	#5,000
	#105,000
Less; Loan-----	#30,000
Sub. Arrears---	<u>#15,000</u>
	<u>#45,000</u>
	<u>#60,000</u>

33. Ans: Option B. Explanation: General Expenses; #2500 to be shared in ratio 2:3 between M & N equals 10:15. Therefore, N share of the expenses is #15,000.

34. Ans: Option C. Explanation:

<u>Receipt and Payment account</u>			
Sales	260,000	Club House	100,000
		Electricity	5,000
		Balance c/d	<u>155,000</u>
	<u>#260,000</u>		<u>#260,000</u>
	N155000		

35. Ans: Option B. Explanation:

<u>Income and Expenditure Account.</u>			
Electricity	5000	Sales	300,000
Salary	2000		
Bal c/d	<u>293000</u>		
	<u>300,000</u>		<u>300,000</u>

36. Ans: Option B. Explanation: First step to take to convert a single entry to double entry is by draw-up a statement of Affairs to ascertain the opening capital.

37. Ans: Option D. Explanation: Capital = Assets – Liabilities
 = #228,000 - #145,000
 = #83,000.

38. Ans: Option B.

39. Ans: Option C. Explanation:

<u>Sales Ledger Control Account.</u>			
Bal b/d	25,000	Cash	255,000
Sales	<u>245,000</u>	Bal c/d	<u>15,000</u>
	<u>270,000</u>		<u>270,000</u>
Bal b/d	15,000		

40. Ans: Option B.

41. Ans: Option D. Explanation: 30% of purchase price paid in cash, 30% of #3,600,000 equals #1,080,000. Number of shares issued equals 3600000 – 1080000 X 2 = 5040,000.

42. Ans: Option B. Explanation:

Consolidate Revenue b/d-----	#650,000
Transfer from contingency-----	<u>#240,000</u>
	#890,000
Transfer to Contingency-----	<u>#210,000</u>
	<u>#680,000</u>

43. Ans: Option B. Explanation:

Remittance to head office-----	16625		
Less:			
Opening stock-----	1875		
Goods sent less returns---	<u>13282</u>		
	15157		
Less Closing stock -----	<u>1975</u>		
	13182		
Add expenses; Rates of Ins.-----	188		
Wages-----	913		
Rent-----	325		
Sundry Exp-----	<u>200</u>	<u>1626</u>	<u>14808</u>
Profit-----			<u>1817</u>

44. Ans: Option C. Explanation:

Rates & Insurance-----	188
Wages-----	913
Rent-----	325
Sundry Expenses-----	<u>200</u>
	<u>1626</u>

45. Ans: Option B.

46. Ans: Option B.

47. Ans: Option B. Explanation:

Goodwill calculation

— Purchase consideration-----	#120,000
Net Cash-----	<u>#9,000</u>
Goodwill-----	<u>#30,000</u>

48. Ans: Option B. Explanation: Net worth of the business equals *Net Assets – Cash = #90,000*

****Cash was not taken over****

49. Ans: Option C. Explanation: Traditionally, Gross profit from any business is always transferred to profit and loss account.

50. Ans: Option C.

2005 UTME Accounts

1. The double entry principle of accounting was developed by
 - A. Frank Wood
 - B. Luca Pacioli
 - C. Akintola Williams
 - D. William Pickles
2. The concept that has much influence over asset valuation and income determination is
 - A. entity
 - B. realization
 - C. conservation
 - D. matching
3. The journal entries for the purchase of stock on credit are to debit
 - A. stock account and credit cash account
 - B. stock account and credit liability account
 - C. purchase account and credit liability account
 - D. suspense account and cash account

4. Given:

	N
Liabilities	23 700
Current	20 300
Fixed	64 500

What is the capital introduced by the proprietor?

- A. N40 800
- B. N61 100
- C. N88 200
- D. N108 500

5. Given:

	N
Rent	10 000
Rates	5 000
Capital	50 000
Salaries	14 000
Cash	26 000
Creditors	5 000

The total trial balance is

- A. N110 00
- B. N65 000
- C. N55 000
- D. N45 000

6. What are the appropriate recording procedures for entries in the trial balance?
- source document, ledger and trial balance
 - ledgers, trial balance and source document
 - cash account, ledger and trial balance
 - ledger, source document and trial balance
7. Mr. Bassey purchased a motor vehicle for use in his business and debited the purchases account with the same value. This is an error of
- omission
 - principle
 - commission
 - original entry
8. Yahaya's bank account shows a credit balance of N1 500. He paid N1 700 000 into the bank. What is his expected balance?
- credit balance of N200 000
 - debit balance of N200 000
 - credit balance of N3 200 00
 - debit balance of N3 200 00

Use the information below to answer questions 9 and 10

Five hundred naira monthly is allowed on an imprest system. The following transactions took place:

Period 1:

	N
Cash advanced to petty cashier	500
Petty cashier paid out: stamp	200
Newspaper	250
Period 2: cash to petty cashier	450
Cashier paid for writing materials	350

9. How much should the petty cashier receive after period 2?
- N150
 - N250
 - N350
 - N500
10. What was the balance of cash with the petty cashier at the end of period 1?
- N50
 - N200
 - N300
 - N450
11. In a three-column cash book, the discount allowed is shown on the

- A. debit side
- B. credit side
- C. folio column
- D. memorandum column

12. A rent received by a trader for sub-letting part of his business premises should be added to the
- A. gross profit
 - B. total profit
 - C. net profit
 - D. total revenue

13. Musa merchants trading and profit and Loss account for the year ended Dec. 31st, 2003

	N	N	
Stock (1/1/2003)	60 000	Sales	290 000
Purchases	<u>90 000</u>		
Cost of goods Available for sale	150 000		
Stock 31/12/2003	?		
Cost of goods sold	<u>?</u>		
Gross profit	<u>180 000</u>		
	<u>290 000</u>		<u>290 000</u>

Determine the closing stock

- A. N20 000
 - B. N30 000
 - C. N40 000
 - D. N50 000
14. A sole trader provides the following balance for the financial year ended 30th June, 2003

	N		N
Capital	8 000	Land and building	4 500
Net profit	19 00	Furniture	3 400
	<u>9 900</u>	Stock	2 800
Drawings	900	Debtors	2 200
	<u>9 000</u>	Cash	100
Creditors	2 500		
Accruals	<u>1 500</u>		
	<u>13 000</u>		<u>13 000</u>

The capital employed is

- A. N13 000
- B. N9 900
- C. N9 000
- D. N8 400

15. Given:

	Jan. 2003	Dec.2003
	N	N
Provision for bad debt	1 000	
Debtors		20 000
Bad debt to be written off		2 000

The provision for bad debt stands at 10% of debts. How much is to be charged to profit and loss account as provision for bad debt?

- A. N800
 - B. N1 000
 - C. N1 800
 - D. N2 000
16. Goods withdrawn from business for private use are credited to
- A. drawings
 - B. purchases
 - C. sales
 - D. capital

Use the information below to answer questions 17 and 18

A piece of equipment costing N120 000 was purchased on 1/1/1996. Depreciation was provided at 20% per annum on a straight- line basis. It was sold on 30/6/1999 for N31 500.

17. The accumulated depreciation provision at the time of sale was
- A. N12 000
 - B. N60 000
 - C. N72 000
 - D. N84 000
18. The net book value of the piece of equipment at the time of sale was
- A. N96 000
 - B. N48 000
 - C. N36 000
 - D. N24 000

Use the information below to answer questions 19 and 20

Date	Particulars	Quantity (Units)	Unit Price N
Jan.	Received	100	2.00
Feb.	Received	110	2.50
March	Issued	80	
April	Received	200	3.00

19. Determine the closing stock under LIFO method
- | | | | |
|----|------|--------|-----|
| | May | Issued | 100 |
| A. | N575 | | |
| B. | N500 | | |
| C. | N375 | | |
| D. | N275 | | |

WISDOMLINE UTME STUDY PACK

20. Calculate the closing stock under FIFO method.
- A. N875
 - B. N675
 - C. N600
 - D. N300
21. The items that are contained in the bought ledger control account are
- A. discount allowed, bad debts and purchases
 - B. dishonored cheques, returns inwards and sales
 - C. returns outwards, bad debts and purchases
 - D. discount received, returns outwards and purchases
22. Given:
- | | |
|----------------------------------|--------|
| | N |
| Purchases ledger balance | 4 000 |
| Purchases for the period | 50 000 |
| Cash refunded by suppliers | 290 |
| Cheques paid to suppliers | 42 300 |
| Returns outwards | 2 000 |
| Discount received from suppliers | 400 |
- The balance of the purchases ledger control account is
- A. N10 390
 - B. N9 990
 - C. N9 590
 - D. N9 010
23. Which of the following items is found on the credit side of the sales ledger control account?
- A. discount received
 - B. dishonoured cheques
 - C. credit sales
 - D. bills receivable
24. If the assets and liabilities of a firm were valued at N17 200 and N5 120 respectively, the capital of the firm would be
- A. N22 320
 - B. N17 200
 - C. N12 080
 - D. N5 120

Use the information below to answer questions 25 and 26

Zazzau Company

	N
Cash in hand	50
Cash in bank	1 250
Stock	4 880
Furniture	960
Building	5 500
Debtors	1 750
Creditors	2 150

Drawings of N125 were made by the shareholders of the company.

25. The capital of the company stands at
- A. N12 240
 - B. N12 115
 - C. N2 510
 - D. N2 150
26. The company's net current assets amount to
- A. N5 780
 - B. N5870
 - C. N6 580
 - D. N7 930
27. A component of an overhead manufacturing cost is
- A. cost of work-in-progress
 - B. cost of finished goods
 - C. labour
 - D. rent

Use the information below to answer questions 28 and 29

	N
Direct labour	50 000
Beginning work-in progress	4 000
Raw materials used	18 000
Indirect labour	4 000
Ending finished goods	16 000
Ending work-in-progress	9 000
Factoring supplies used	7 000
Selling expense	25 000
Beginning finished goods	21 000
Other factory overheads	19 000

28. What is the goods manufactured?
- A. N117 000
 - B. N104 000
 - C. N97 000

D. N93 000

29. Calculate the prime cost

A. N50 000

B. N68 000

C. N70 000

D. N75 000

Use the information below to answer questions 30 and 31

		N
Purchase:	Raw materials	15 000
	Finished goods	11 400
Stock:	(1/7/01) raw materials	2 250
	Work-in-progress	1 875
Wages:	Direct	17 100
	Indirect	5 400
Stock: (30/06/02)	raw materials	3 000
	Work-in-progress	3 375

30. The cost of raw materials consumed is

A. N17 250

B. N15 750

C. N15 000

D. N14 250

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31. What is the cost of manufactured goods?

A. N49 125

B. N48 750

C. N37 625

D. N35 250

Use the information below to answer questions 32 and 33

	N
Subscription	5 240
Canopy rent	400
Wages	1 100
Postages	300
Loss from bar	160
Purchase of new furniture	120
Premises	4 000
Furniture at the beginning	1 120

32. What is the cash balance in the receipts and payments account?

A. N2 520

B. N2 600

C. N3 000

- D. N4 120
33. Determine the accumulated fund value
- A. N9 360
 - B. N6 320
 - C. N4 200
 - D. N3 000
34. The not-for-profit- making organization generate their income mainly from
- A. bar sales
 - B. subscription
 - C. rents
 - D. pools
35. Gamji Memorial Club carried out activity which yielded a profit of N10 000. This amount is to be transferred to the
- A. debit side of its profit and loss account
 - B. credit side of its profit and loss account
 - C. debit side of its income and expenditure account
 - D. credit side of its income and expenditure account
36. Departmental account are prepared to aid the comparison of the
- A. previous year's transaction
 - B. daily profits
 - C. workers' performances
 - D. management performances
37. A company incurred N21 00 in running its four departments namely J, K, L and M with a corresponding number of employees as 1500, 2000, 3000 and 3500 respectively. What is the share of department K?
- A. N9 000
 - B. N6 000
 - C. N4 500
 - D. N1 500
38. The movement of goods from head office to a branch is treated in the head office account as
- A. sales
 - B. issue
 - C. purchase
 - D. requisition
39. The head office of Emeka stores maintains the financial account of all its branches. The branch store account in the head office serves as the branch
- A. debtors' account
 - B. trading account
 - C. expenses account
 - D. cash account

40. In reconciling the branch and head office accounts, remittance in transit in the branch books is treated as a
- A. debit entry
 - B. credit entry
 - C. contra entry
 - D. reversal entry
41. Profit or loss in a partnership is usually arrived at after deducting from gross profit all expenses including
- A. partners' salaries
 - B. interest on capital
 - C. partner drawing
 - D. interest on loan

Use the information below to answer questions 42 and 43

Jide and Haruna contribute N12 00 each as capital and share profit equally. Jide draws N1 500 and Haruna N1 700 half-yearly. The profit for the year is N10 000. Jide receives a salary of N2 000

42. Calculate the profit available for appropriation
- A. N 12 000
 - B. N 10 000
 - C. N 8 000
 - D. N 7 000
43. The balance of current accounts of Jide and Haruna are respectively
- A. N 6 000 and N 5 000
 - B. N 3 000 and N 3 400
 - C. N 4 000 and N 4 000
 - D. N 3 000 and N 600
44. When assets are realized during partnership dissolution, the entries for the proceeds are to debit
- A. cash account and credit realization account
 - B. asset account and credit realization account
 - C. realization account and credit cash account
 - D. asset account and credit cash account
45. A company paid cash in redemption of N10 000 debenture. The accounting entry to record this will be to debit
- A. cash and credit debentures
 - B. debenture and credit cash
 - C. cash and credit capital
 - D. capital and debit cash

Use the information below to answer questions 46 and 47

Balance Sheet (Extract)

	N		N
Capital	40 000	Building	25 000
Net profit	42 000	Equipment	12 000
	<u>52 000</u>	Stock	10 000
Creditors	8 000	Debtors	15 000
Wages owed	4 000	Cash	5 000
Rent owed	3 000		
	<u>67 000</u>		<u>67 000</u>

46. The current ratio is
- 1:1
 - 2:1
 - 2.8:1
 - 3.5:1
47. The quick ratio is
- 1:2
 - 1.3:1
 - 1.7:1
 - 3:1
48. Earnings per share is measured of
- solvency
 - leverage
 - liquidity
 - profitability
49. The accounting method that reports income when earned and expenses when incurred is called
- cash accounting
 - commitment accounting
 - fund accounting
 - accrual accounting
50. The tier of government that uses financial memorandum is the
- federal government
 - state government
 - local government
 - municipal government

2005 UTME Accounts - Answers

1. Ans: Option B. Explanation: Italian merchants were the first to use double entry system to record their transactions as far back as 14th century. Luca Pacoli, an Italian was the first person to publish a book on double- entry.
2. Ans: Option B.
3. Ans: Option C.

4. Ans: Option B. Explanation:
Capital Introduced

Current Asset-----	20300
Fixed Assets-----	<u>64500</u>
	84800
Less; Liabilities-----	<u>23700</u>
	<u>61100</u>

5. Ans: Option C. Explanation:

Rent-----	10001
Rates-----	5000
Salaries-----	14000
Cash-----	26000
Creditors-----	5000
Capital-----	<u>50000</u>
	<u>55,000</u> <u>55,000</u>

6. Ans: Option A. Explanation: Items that should appear under the purchase account are items bought for re-sale and not fixed assets like motor vehicle. The error is an error of principle.
7. Ans: Option B.
8. Ans: Option C. Explanation:

Bank Account Extract

Bal c/d	1500000	Bal c/d	3200000
	<u>1700000</u>		
	<u>3,200,000</u>		<u>3,200,000</u>
Bal b/d	3,200,000		

When bank shows a debit balance in the book of customer it is a credit balance in the bank showing that the bank is a debtor to the customer.

9. Ans: Option: C. Explanation:

Receipt	Date	Details	Total	Stamps	News pape	Materials
500	Period 1	-----	----	200	----	----
-----	Period 1	Stamp	200	----	-----	-----
-----	Period 1	Newspaper	250	-----	250	----
			450	200	250	-----

10. Ans: Option A. Explanation:

Petty Cash Book preparation.

11. Ans: Option A. Explanation: Discount Allowed is an allowance given to a debtor. It will be shown on the debit side of the cashbook. It is a reduction in the amount owed by a customer.

12. Ans: Option A. Explanation: Rent received from sub-letting part of business should be posted to the credit side of profit and loss account as an addition to gross profit carried down from trading account.

13. Ans: Option C. Explanation:

To determine the Closing stock

Cost of goods sold is the difference between sales and gross profit = N290,000 – N180,000
= #110,000

Cost of good available for sale minus closing stock(if there is no return and carriage on purchases) = cost of goods sold.

Goods available for sale-----	#150,000
Cost of goods sold-----	<u>#110,000</u>
Closing stock-----	<u>#40,000</u>

14. Ans: Option C.

15. Ans: option C. Explanation:

Debtors-----	20,000
Less: Bad debt-----	2000
	18,000

Provision for bad debt(10%)-----10% of N18,000 = N1,800.

16. Ans: Option B. Explanation: Goods withdrawn from business for private use are credited to purchase account as reduction from the total value of purchase.

17. Ans: Option D. Explanation:

20% of #120,000 = #24,000

To calculate accumulated depreciation for three and half years

31-Dec-1996-----	1 st year-----	24000
31-Dec-1997-----	2 nd year-----	24000
31-Dec-1998-----	3 rd year-----	24000
31-Dec-1999-----	4 th year-----	<u>12000</u>

84000-----on straight line basis

18. Ans: Option C. Explanation:

Year	Depreciation	Net book value
01-Jan-1996	-----	120,000
31-Dec-1996	24,000	96,000
31-Dec-1997	24,000	72,000
31-Dec-1998	24,000	48,000
30-Jun-1999	12,000	36,000

19. Ans: Option A. Explanation:

20. Ans: Option B. Explanation:

21. Ans: Option D. Explanation: Items that are contained in the bought ledger control account

- I. Discount received from creditor for goods bought
- II. Goods returned to supplier(Return outwards)
- III. Purchases

22. Ans: Option D. Explanation:

<u>Purchases ledger Control Account</u>			
Cash Refunded	290	Bal. b/d	4000
Cash	42300	Purchases	50000
Return Outward	2000		
Discount Received	400		
Bal. c/d	<u>9010</u>		
	<u>54000</u>		<u>54000</u>
		Cash b/d	9010

23. Ans: Option D. Explanation:

<u>Sales Ledger Control Account(Extract)</u>	
Dishonoured Cheque ***	Bill Receivable ****
Credit Sale ***	

N.B- Discount received is found in Bought Ledger.

24. Ans: Option C. Explanation:

Assets-----	17200	
Liabilities-----		5120
Capital-----		<u>12080</u>
	<u>17200</u>	<u>17200</u>

N.B- Capital = Asset minus Liabilities
 Capital = 17200 – 5120 = #12080.

25. Ans: Option B. Explanation:

Capital = Asset minus Liabilities = #14390 – 2150 = #12240
 But Drawing is leakage from owner's equity, therefore, it has to be deducted from Capital. #12240 - #125 = #12115.

26. Ans: Option A.

27. Ans: Option D. Explanation: All expenses incurred in the factory which cannot be traced directly to production are called Factory overhead. These include Factory rent, power, repairs, Salary of Firemen, and Depreciation of Factory plant etc.

28. Ans: Option D. Explanation:

To ascertain goods manufactured

Raw Material used	18000
Direct Labour	<u>50000</u>
Prime Cost	68000

Factory Overhead

Indirect Labour	400
Factory supplies	7000
Other Factory	19000
	<u>30000</u>
	98000

Opening Work-In-Pr	4000
Closing W/P	9000
	<u>(5000)</u>
Cost of goods manufactured	<u>93000</u>

29. Ans: Option B. Explanation: Prime cost total of all the element of costs; Material, labour and Expenses.

Raw Material Used	18000
Direct Labour	<u>50000</u>
Prime Cost	<u>68000</u>

30. Ans: Option D. Explanation:

Opening stock of R. material	2250
Purchases	<u>15000</u>
	17250
Less; Closing stock	<u>3000</u>
Cost of R. materials consumed	<u>14250</u>

31. Ans: Option D. Explanation:

Cost of R. materials consumed	14250
Direct wages	<u>17100</u>
	31350
Indirect Wages	<u>5400</u>
	36750
Opening W/P	1875
Closing W/P	<u>3375</u>
	<u>(1500)</u>
Cost of Manufactured goods	<u>35250</u>

32. Ans: Option D. Explanation:

<u>Receipt and Payment Account</u>			
Subscription	5240	Wages	1100
Canopy	400	Postages	300
		Furniture	120
		Bal c/d	<u>4120</u>
	<u>5640</u>		<u>5640</u>
Bal. b/d	4120		

33. Ans: Option A. Explanation:

Assets	
Purchases	4000
Furniture	1240
Cash	<u>4120</u>
	<u>9360</u>

Accumulated fund is the something as Capital. In Accounting Equation Capital = Assets. Therefore, Capital / Accumulated fund = #9360

34. Ans: Option B. Explanation: Major source of Income of a non-for-profit-making organization is the amount contributed by members called **subscriptions**.

35. Ans: Option D. Explanation: It is an additional Income. It should be transferred to Credit side of Income and Expenditure Account.

36. Ans: Option D.

37. Ans: Option B. Explanation: Running Cost #21000 (given)

Total Number of employee		
J	1500	
K	2000	share of K is $2000/10,000 * 21000 = \#4200$
L	3000	
M	<u>3500</u>	
	<u>10,000</u>	

38. Ans: Option A.

39. Ans: Option B.

40. Ans: Option A.

41. Ans: Option D. Explanation: Interest on partner's loan is treated as expenses which should be deducted before arriving at Net profit. Other items like partner's salaries, interest on capital, drawing are regarded as distribution of profit, and so are treated as P & L Appropriation items.

42. Ans: Option C. Explanation:

Profit for the year – partner's salaries = #10,000 - #2000 = #8000.

43. Ans: option D. Explanation:

<u>Current Account</u>					
	Jide	Haruna		Jide	Haruna
Drawings	3000	3400	Salary	2000	
Bal. c/d	<u>3000</u>	<u>600</u>	share of Prf	4000	4000
	<u>6000</u>	<u>4000</u>		<u>6000</u>	<u>4000</u>
			Bal. b/d	3000	600

44. Ans: Option A. Explanation: Cash Account will be debited and Realization Account will be credited with proceeds of assets to follow the principle of Debit the Receiver and Credit the Giver.

45. Ans: Option B. Explanation: Debenture Account will be debited while Cash Account will be credited with #10,000. Debit the Receiver, Credit the Giver.

46. Ans: Option B. Explanation:

Current Ratio is calculated as:

$$\text{Current Assets to Current liabilities} = 30,000 : 15,000 = 2 : 1$$

47. Ans: Option B. Explanation:

Quick Ratio / Acid Test / Liquidity is

$$\text{Current Assets minus Stock to Current Liabilities} = \frac{30,000 - 10,000}{15,000} = \frac{20,000}{15,000} = \frac{4}{3} = 4 : 3 = 1.3 : 1$$

48. Ans: Option D. Explanation: Earning per share measures the net returns on investment.

$$\text{Earning per share} = \frac{\text{Profit after tax}}{\text{Equity}}$$

49. Ans: Option D. Explanation: Accounting Method that reports Income when earned and expenses when incurred is called Accrual Concept. It recognizes income when earned not when cash is received and expenses when incurred not when cash is paid.

50. Ans: Option C.

2001 UTME Principles of Accounts

- The current growth in the volume of trade and financial dealings in Nigeria is helped by
 - increased financial activities
 - government intervention
 - credit as a factor in business
 - payment for goods in cash
- Cost accounting entails the provision of information
 - for investment purposes
 - for decision making
 - to shareholders

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- D. to stockholders
3. The main objective of accounting report is to provide information about
 - A. a company's shareholding
 - B. an entity's management
 - C. the efficacy of assets
 - D. a company's economic resources
 4. If liabilities amounted to N12,045, other assets N36,800 and equity N26,896, the cash at hand would be
 - A. N 2, 241
 - B. N 2, 214
 - C. N 2, 141
 - D. N 2,114

Use the information below to answer questions 5 and 6

Given:

	N
Fixed assets	85,600
Sales	197,000
Stock	34,300
Salaries and wages	37,000
Purchases	127,700
Share capital	120,000
Creditors	16,050
Motor expenses	10,500
Debtors	25,000

5. What is the cash balance?
 - A. N 12,095
 - B. N 12,590
 - C. N 12,905
 - D. N 12,950
6. Determine the total of the trial balance.
 - A. N 335,050
 - B. N 333,050
 - C. N 323,050
 - D. N 230,550
7. The accuracy of journalizing is checked by
 - A. ensuring that debit totals equals credit totals
 - B. posting all journal entries to ledger accounts
 - C. adding all figures in the debit column
 - D. comparing accounts in the ledger against the journals

8. Hauwa Ltd bought 10bags of rice for N500 each. The company was given 5% and 12% trade and cash discounts respectively. What will be recorded as a discount received in the company's book?
 A. N 250
 B. N 570
 C. N 600
 D. N 850
9. A cash book had opening balance of N 15, 200, closing balance N 18,400 and total cash received during the period N 36,000. What was the amount of cash paid out during the same period?
 A. N 17,800
 B. N 19,600
 C. N 29,200
 D. N 32,800
10. In a petty cash book, the closing balance was N235, imprest N 1,250, while the stationery expenses were N 655. How much was paid for other general expenses?
 A. N 360
 B. N 355
 C. N 350
 D. N 305
11. When a bill is negotiated to a bank, it is said to be
 A. surrendered
 B. cashed
 C. discounted
 D. accepted
12. Given that the balance as per cash book after necessary adjustments was N 4,315, unrepresented cheques were N 1,688 and the bank statement balance was N 4, 791, what was the balance of the uncredited cheques?
 A. N 1, 223
 B. N 1, 212
 C. N 1, 202
 D. N 1,115

13. If a property developing company sells a completed building to an interested third party, this sale can be treated in the books of the company as

	Date	Receipts			Issues		balance	
		Qt	Unit Price ₦	Amt. Price ₦	Qty	Unit ₦	Amt. ₦	Amt. ₦
	Jan.1	10	5.00	500.00	-	-	-	500.00
	Jan. 5	50	6.00	300.00	-	-	-	800.00
A. capital receipt	Jan. 7	-	-	-	40	6.00	240.00	560.00
B. revenue receipt	Jan.10	50	4.00	200.00	-	-	-	760.00
C. windfall receipt	Jan. 15	-	-	-	50	4.00	200.00	560.00
D. miscellaneous receipt	Jan. 20	-	-	-	10	x	y	z

Use the information below to answer questions 14 and 15.

Palaju Enterprises had fixed assets of N 3,100,000 at the end of the year. Fixed assets costing N900,000 with provision for depreciation of N 150,000 were disposed of during the period. Fixed assets of N100,000 were added during the year. Provision for depreciation was N350,000 at the beginning of the year and N 300,000 at the end of the year.

14. What was the value of fixed assets at the beginning of the year?
 - A. N 2,900,000
 - B. N 3,800,000
 - C. N 3,900,000
 - D. N 4,000,000

15. The depreciation expense charged for the year is
 - A. N 450,000
 - B. N 250,000
 - C. N 150,000
 - D. N 100,000

16. A reduction in the catalogue price of an article given by a wholesaler to a retailer is called a
 - A. bad debt
 - B. trade discount
 - C. premium
 - D. cash discount

Use the information below to answer questions 17 and 18.

Stock Control Account [Extract] as at January, 2000

17. What is the stock valuation method used?
 - A. Last in First out
 - B. First in First Out
 - C. Average cost
 - D. Weighted average

18. The value of x is
 - A. N 4.00
 - B. N 5.00
 - C. N 5.50
 - D. N 6.00

Use the information below to answer questions 19 and 20.

	₦
Purchases ledger opening balance	4,000
Sales ledger opening balances	6,000
Credit purchases during the year	25,000
Discounts allowed	1,000
Returns inwards	2,000
Credit sales during the year	10,000
Returns outwards	6,000

19. Calculate the sales ledger balance.
- N3,000
 - N6,000
 - N10,000
 - N13,000
20. What is the purchases ledger balance?
- N 4,000
 - N23, 000
 - N24, 000
 - N29, 000
21. For an incomplete record to provide necessary information, it must be converted to
- complete records
 - double entry records
 - statement of affairs
 - single entry

Use the information below to answer questions 22 and 23.

Given:

	31/12/98	31/12/99
	₦	₦
Assets: Plant & Mach	1,500	1,200
Fixtures	700	520
Stock	500	600
Debtor	900	400
Cash	200	300
Liabilities: Creditors	500	600
Loan	600	400

22. Determine the total fixed asset from the opening balance sheet.
- N 2,200
 - N 2,020
 - N 1,720
 - N 1,270
23. What is the capital from the opening balance sheet?
- N 3,600

- B. N 2,700
- C. N 2,070
- D. N 1,520

24. Given:

	₦
Direct material	2,500
Direct labour	5,000
Direct expenses	1,000
Overhead expenses	1,500

From the data above, compute the prime cost

- A. N8, 500
- B. N7, 500
- C. N6, 500
- D. N6, 000

Use the information below to answer questions 25 and 26.

	₦
Bar opening stock	10, 000
Amount owed to bar suppliers at the beginning of the year	10, 000
Bar sales	50, 000
Bar credit purchases	40, 000
Payment to suppliers	30, 000
Bar expenses	1,000
Bar closing stock	15, 000

25. What is the bar profits?

- A. N 20, 000
- B. N 15, 000
- C. N 14, 000
- D. N 10, 000

26. How much is owed to suppliers?

- A. N 50,000
- B. N 40, 000
- C. N 30, 000
- D. N 20, 000

27. Lubricating oil and spare parts of machinery are examples of

- A. direct materials
- B. indirect materials
- C. indirect expenses
- D. direct expenses

Use the information below to answer questions 28 and 29.

	N
Subscriptions received during the year	30,000
Subscriptions owed last year	4,000
Subscriptions received for next year	6,000

28. The N6, 000 subscription received is
- current asset
 - current liability
 - fixed asset
 - capital
29. What is the subscription to be charged to income and expenditure account?
- N 36, 000
 - N 34, 000
 - N 30, 000
 - N 20, 000
30. A club received rent N10, 000 and donation N30, 000. It paid N6, 000 for entertainment and is still owing N16, 000. The balance of the receipts and payments account is
- N24, 000
 - N22, 000
 - N14, 000
 - N 8,000

31. Given:

	N
Club trading profit	12,000
Members' subscription	15,000
Profit on sale of fixed assets	2,500
Loss on sale of investments	1,000
Wages	16,000
Other expenses	10,000

Determine the club's excess of income over expenditure.

- N500
 - N1, 500
 - N2, 000
 - N2, 500
32. The excess of income over expenditure is usually transferred to the
- accumulated fund
 - profit and loss account
 - current assets in the balance sheet
 - current liabilities in the balance sheet
33. Partners' salaries and drawings are usually posted to the
- trading account
 - current account

- C. capital account
D. partners' account
34. Marhumu and Yusuf are in partnership sharing profit and losses in the ratio of 2:1. On 31/3/2000, the partnership decided to admit Idris who is to take $\frac{1}{4}$ of future profits without changing the ratio of Marhumu and Yusuf.
What is the new profit-sharing ratio of Marhumu and Yusuf?
A. 50%:25%
B. 50%:20%
C. 25%:50%
D. 25%:25%
35. If a partner pays a premium of N500 for $\frac{1}{5}$ share of profit, then the total value of goodwill is
A. N 500
B. N 2,000
C. N 2,500
D. N 3,000
36. On the dissolution of a partnership business, the net book value of the assets is transferred to
A. debit of realization account
B. credit of realization account
C. credit of bank account
D. debit of bank account
37. Bala Ltd acquired the business of Bello Ltd and caused the separate existence of the latter company to terminate. This situation is best described as
A. absorption
B. merger
C. conversion
D. dissolution
38. Where a company acquires controlling shares of another and the consideration is paid in cash, the entries in the books of the purchases are debit
A. investment and credit cash
B. investment and credit shares
C. purchases and credit cash
D. purchases and credit shares
39. Given:

	₦		₦
Capital	200,000	Total assets	210,000
Liabilities	10,000		
	<u>210,000</u>		<u>210,000</u>

If the business is purchased at a price including goodwill of N20, 000, what must have been the purchase price?

- A. ₦190,000
B. ₦210,000
C. ₦220,000

D. ₦230,000

40. The main difference between the ordinary and preference shareholders is that
- A. the former receive dividends while the latter do not
 - B. the latter are not members of the company while the former are
 - C. in the case of winding up, the former are paid first before the latter
 - D. the former have voting rights while the latter do not

Use the information below to answer questions 41 and 42.

Given:

	₦
Authorized Capital:	100,000 ordinary shares of ₦1 each
Issued and fully paid:	
50,000 ordinary shares of ₦1 each	50,000
10,000 8% preference shares of ₦1 each	10,000
Reserves	25,000
Creditors	15,000
Debtors	13,000
Cash in hand	5,000

41. Determine the net current assets.
- A. ₦43, 000
 - B. ₦28, 000
 - C. ₦13,000
 - D. ₦3,000
42. Calculate the shareholders' fund
- A. ₦ 60, 000
 - B. ₦ 75, 000
 - C. ₦ 85, 000
 - D. ₦185, 000
43. The law that currently regulates the registration of companies in Nigeria is the
- A. Constitution of the Federal Republic of Nigeria, 1999
 - B. Nigerian Enterprises Promotion Decree, 1972
 - C. Companies and Allied Matters Decree, 1990
 - D. Companies Decree, 1968.
44. X and Y are two departments that are to share 50% of all joint costs equally and the balance in the ratio 2:1. If a sum of ₦150, 000 is incurred jointly, what will be the portion attributable to X?
- A. ₦ 37,500
 - B. ₦ 62,500
 - C. ₦ 87,500
 - D. ₦100, 000

45. Department F transferred some goods to department G at a selling price. The goods were not sold at the end of the accounting period. Which account is affected at the time of preparing a combined balance sheet?
- Creditors
 - Debtors
 - Stock
 - Suspense.
46. The correct entry to reflect the receipt of cash sent by a branch to head office is
- debit cash and credit branch current account
 - debit branch current account and debit cash
 - credit branch debtors and debit cash
 - credit branch current account and debit branch debtors
47. To account for expenses paid by head office on behalf of the branch, the branch should
- debit head office account and credit cash
 - debit profit and loss account and credit head office account
 - credit cash and debit profit and loss account
 - credit profit and loss account and debit head office account
48. The officer responsible for ascertaining whether all public expenditure and appropriation are in line with approved guidelines is the
- Accountant General
 - Auditor General
 - Finance Minister
 - Permanent secretary

Use the information below to answer questions 49 and 50.

Given:

PTF Trial Balance [Extract] as at 31 December, 1999

	Dr	Cr
	N'000	N'000
Cash	2,000	
Investment	3,000	
Account receivable	6,000	
Fund balance		11,000
	<u>11,000</u>	<u>11,000</u>

49. Assuming all the investments realized N4m, what will be the ending fund balance?
- N 8m
 - N 11m
 - N 12m
 - N 15m
50. If only 1/3 of the investments is sold for N 2m and N5m realize from the accounts receivable. What will be the balance of the fund?
- N9m

- B. ₦ 11m
- C. ₦ 13m
- D. ₦ 16m

2001 Answers – Type R

- 1. Option C.
- 2. Option B.
- 3. Option D.
- 4. Option C.
- 5. Option D.
- 6. Option B.
- 7. Option A.
- 8. Option B.
- 9. Option D.
- 10. Option A.
- 11. Option C.
- 12. Option B.
- 13. Option B.
- 14. Option A.
- 15. Option D.
- 16. Option B.
- 17. Option A.
- 18. Option D.
- 19. Option D.
- 20. Option B.
- 21. Option B.
- 22. Option A.
- 23. Option B.
- 24. Option A.
- 25. Option C.
- 26. Option D.
- 27. Option B.
- 28. Option B.
- 29. Option D.
- 30. Option A.
- 31. Option C.
- 32. Option A.
- 33. Option B.
- 34. Option A.
- 35. Option C.
- 36. Option A.
- 37. Option A.
- 38. Option A.
- 39. Option C.
- 40. Option D.
- 41. Option D.
- 42. Option C.

- 43. Option C.
- 44. Option C.
- 45. Option C.
- 46. Option A.
- 47. Option B.
- 48. Option B.
- 49. Option C.
- 50. Option B.

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