

LGS Paragon

Subject : Accounting

Grade : X

Marks: 20

1. Which of the following accounts normally has a credit balance?
A capital account
B motor vehicles account
C purchases account
D returns inward account

2. Arrange the following current assets in order of Permanency (least to most liquid)
1.Inventory 2.Cash 3.Trade Receivables 4.Prepayments
A 1,3,4,2
B 2,4,3,1
C 1,2,3,4
D 4,2,3,1

3. The proceeds from the sale of a Non current asset would be credited to
A sales account
B capital account
C the Non current asset account
D disposal account

4. How is an invoice for an expense owing shown in the Statement of Financial Position?
A current asset
B current liability
C Non current asset
D long-term liability

5. How are Non current assets normally recorded in a Statement of Financial Position?
A at book value
B at cost
C at replacement cost
D at scrap value

6. The table shows extract from a trial balance.

	Debit \$	Credit \$
Prepayments	4 620	
Accruals		8 125
Bank Balances	14 920	3 612
Trade Payables		18 148
Loan (10 years)		15 000

- Which total for current liabilities should be disclosed in the Statement of Financial Position?
- A** \$ 26 273
B \$ 26 380
C \$ 29 885
D \$ 44 885
7. The owner of a business takes Inventories for her own use. What are the ledger account entries to record this?
A debit drawings, credit purchases
B debit drawings, credit Inventories
C debit capital, credit sales,
D debit Inventory, credit drawings.

8. The balance on the bank account in a cash book is \$ 1 200 credit. How is this shown in the Statement of Financial Position?
- A** as current asset
B as a current liability
C as a long-term liability
D as owner's drawings
9. How is working capital calculated?
- A** total assets less total liabilities
B current assets less current liabilities
C Owner's Equity less drawings
D total Non current assets plus current assets
10. What is shown in a Statement of Financial Position as an asset?
- A** bank balance overdrawn
B rates paid in advance
C rent received in advance
D wages due but unpaid
11. What does current assets less current liabilities equal?
- A** capital employed
B liquid assets
C net assets
D working capital
12. What is the purpose of preparing a Statement of Financial Position?
- A** to check the accuracy of the books
B to give details of the Owner's Equity
C to measure the performance of the business
D to show the financial state of the business
13. How is a prepayment by X shown in X's Statement of Financial Position?
- A** current asset
B current liability
C Non current asset
D long-term liability

14. X provides the following information.

	\$
Revenues	100 000
Inventories at 1 July	20 000
Purchases	80 000
Inventories at 31 July	30 000
Expenses	20 000

What is her net profit for July?

- A** \$ 10 000
B \$ 20 000
C \$ 30 000
D \$ 40 000

15. The following appear in X's Statement of Financial Position.

	\$
Inventories	8 000
Trade Receivables	7 000
Trade Payables	6 000
Bank overdraft	3 500
Cash	500
Prepayments	500
Accruals	1 000

What is X's Working Capital?

- A** \$ 3 500
B \$ 4 500
C \$ 5 500
D \$ 6 500
16. What affects gross profit?
A carriage outwards
B discounts allowed
C discounts received
D goods taken by owner for own use
17. What is a Statement of Financial Position?
A a statement of the assets, liabilities and capital of a business on a certain date.
B a list of balances remaining on a business's books on a certain date
C a summary of business's transactions for the year
D an account showing the financial position of a business at the year end
18. X rent out part of his premises to Y. at the end of X's financial year, Y owes \$100 rent. Where will this appear in X's Financial Statements?

	Income Statement		Statement of Financial Position	
	Expenses	Revenue	Asset	Liability
A	√		√	
B		√	√	
C	√			√
D		√		√

19. Which is a current liability?
A provision for depreciation
B rent receivable due
C sales ledger balances
D wages due
20. The owner of a business takes goods costing \$ 6 000 from his shop for his own use. What is the book keeping entry?

	Debit		Credit	
A	Drawing account	\$ 6 000	Purchase account	\$ 6 000
B	Drawing account	\$ 6 000	Inventories account	\$ 6 000
C	Purchase account	\$ 6 000	Drawing account	\$ 6 000
D	Inventories account	\$ 6 000	Drawing account	\$ 6 000