

SC1041
WASSCE 2022
FINANCIAL
ACCOUNTING 1
Objective Test
1 hour

1

Name.....

Index Number.....

THE WEST AFRICAN EXAMINATIONS COUNCIL
West African Senior School Certificate Examination
for School Candidates

SC 2022

FINANCIAL ACCOUNTING 1

1 hour

OBJECTIVE TEST

1. Use **2B** pencil throughout.
2. On the pre-printed answer sheet, check that the following details are **correctly** printed:
 - (a) In the space marked *Name*, check your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination, Year, Subject* and *Paper*, check 'WASSCE', 'SC 2022', 'FINANCIAL ACCOUNTING', and '1' in that order.
 - (c) In the box marked *Index Number*, your **index number** has been printed vertically in the spaces on the left-hand side, and each numbered space has been shaded in line with each digit. **Reshade** each of the shaded spaces.
 - (d) In the box marked *Subject Code*, the digits 104112 are printed vertically in the spaces on the left-hand side. **Reshade** the corresponding numbered spaces as you did for your index number.
3. An example is given below. This is for a male candidate whose *name* is Aaron Kwesi NKOAH. His *index number* is 7102143958 and he is offering *Financial Accounting 1*.

THE WEST AFRICAN EXAMINATIONS COUNCIL
ANSWER SHEET

PRINT IN BLOCK LETTERS		GHA
Name:	NKOAH AARON KWESI	
Examination:	WASSCE	Year: SC 2022
Subject:	FINANCIAL ACCOUNTING	Paper: 1

1. Use grade 2B pencil throughout.
2. Answer each question by choosing one letter and shading it like this:
3. Erase completely any answer you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any markings across the heavy black marks at the right hand edge of your answer sheet.

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

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

For Supervisors only
If candidate is absent

For Supervisors only
If candidate is absent
shade this space

Answer all the questions.

Each question is followed by four options lettered A to D. Find 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. Give 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. Passbook
- B. Paying-in slip
- C. Cheque book
- D. Credit card

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

[A]

 [B]

[C]

[D]

Think carefully before you shade the answer spaces; erase completely any answer(s) you wish to change.

Do all rough work on this question paper.

Now answer the following questions.

1. Accounting began to be standardized and recognized as a process when
 - A. accounting concepts and conventions were adopted.
 - B. Luca Pacioli wrote on double entry bookkeeping.
 - C. modern textbook authored by Frank Wood was published.
 - D. trading, profit and loss account and balance sheet were first prepared.
2. Where no partnership agreement exists:
 - I. Profits and losses will be shared equally between partners
 - II. No interest is allowed on loans by a partner to the firm
 - III. 10% interest is to charged on drawings
 - IV. Salaries to partners are not allowed
 - A. I and II only.
 - B. II and III only.
 - C. II and IV only.
 - D. I and IV only.
3. Accounting equation is represented by
 - A. assets and long term liabilities.
 - B. current assets, fixed assets and capital.
 - C. assets, capital and liabilities.
 - D. fixed assets and current liabilities.
4. The **main** interest of government in the use of accounting information is the entity's ability to
 - A. settle its creditors promptly.
 - B. pay its loans to banks when due.
 - C. pay attractive remuneration to employees.
 - D. honour its tax obligations.
5. The system of accounting where only one aspect of a transaction is recorded is
 - A. double entry.
 - B. contra entry.
 - C. single entry.
 - D. suspense account.
6. The capital of a limited liability company is stated in the form of
 - A. contributions.
 - B. grants.
 - C. shares.
 - D. subscriptions.
7. In departmental accounting, the balance sheet is prepared for
 - A. all departments combined.
 - B. each department separately.
 - C. only profitable departments.
 - D. similar departments together.

Use the following information to answer questions 8 and 9.

	GH¢
Total assets taken over	964,500
Liabilities taken over	228,200
Purchase consideration	1,000,000

8. Net assets acquired is
- GH¢ 1,232,700.
 - GH¢ 1,000,000.
 - GH¢ 964,500.
 - GH¢ 736,300.
9. Goodwill paid for amounted to
- GH¢ 736,300.
 - GH¢ 263,700.
 - GH¢ 212,700.
 - GH¢ 35,500.
10. The basis of apportionment for rent in departmental store is
- volume of sales.
 - floor area.
 - purchases.
 - horse power.
11. The authority to disburse government fund is
- vote.
 - voucher.
 - estimate.
 - warrant.
12. A disadvantage of cash accounting is that
- accruals are not considered.
 - the records of the system are simple to prepare.
 - estimates are objective and no provisions for depreciation.
 - cash balance can be easily ascertained.
13. Net sales in the Trading Account is computed as gross sales less
- cost of sales.
 - discount received.
 - returns inwards.
 - trade debtors.

14. A spreadsheet is an application
- written by experts for accounting purpose.
 - used to write memo in accounts department.
 - designed for entertainment and leisure.
 - used in computer repairs.

Use the following information to answer questions 15 to 17.

Cost of motor vehicle (1/1/19) is D 60,000; Disposed off on 31/12/21 for D 21,000; Depreciation is on straight line method at 20% per annum.

15. The accumulated depreciation as at 31/12/21 is
- D 36,000.
 - D 30,000.
 - D 24,000.
 - D 12,000.
16. The net book value on 31/12/21 is
- D 36,000.
 - D 30,000.
 - D 24,000.
 - D 12,000.
17. Profit or loss on disposal is
- D 27,000 profit.
 - D 27,000 loss.
 - D 3,000 profit.
 - D 3,000 loss.
18. Which of the following items would be reduced by returns inwards?
- Purchases
 - Sales
 - Discount received
 - Trade creditors
19. The objective of public sector accounting is to
- account for funds received.
 - determine the profit or loss for a period.
 - ensure prompt payment to workers.
 - pay both capital and recurrent expenditure.

20. The manufacturing account shows
- cost of goods produced.
 - cost of goods sold.
 - profit or loss on goods sold.
 - sales on goods produced.

Use the following information to answer questions 21 and 22.

	<i>Le</i>
Creditors 1/1/2020	160,300
Creditors 31/12/2020	243,600
Cash paid to creditors	905,900
Purchases returns	2,500
Cash purchases	340,100

21. Credit purchases for the year is
- Le* 1,331,800.
 - Le* 1,152,000.
 - Le* 991,700.
 - Le* 989,200.
22. Total purchases for the year is
- Le* 1,331,800.
 - Le* 1,329,300.
 - Le* 1,152,000.
 - Le* 991,700.

Use the following information to answer questions 23 and 24.

Sales Account and Salaries Account were overstated by \$ 170 each.

23. The journal entries to correct Sales Account is: debit
- Sales Account \$ 170; credit Salaries Account \$ 170.
 - Sales Account \$ 170; credit Suspense Account \$ 170.
 - Suspense Account \$ 170; credit Sales Account \$ 170.
 - Salaries Account \$ 170; credit Sales Account \$ 170.

24. The journal entries to correct Salaries Account is: debit
- Salaries Account \$ 170; credit Sales Account \$ 170.
 - Sales Account \$ 170; credit Salaries Account \$ 170.
 - Suspense Account \$ 170; credit Salaries Account \$ 170.
 - Salaries Account \$ 170; credit Suspense Account \$ 170.

25. The materiality concept implies that information is material, if
- the effort of recording a transaction is not worthwhile.
 - its inclusion is insignificant to every stakeholder.
 - its misstatement could not influence the economic decision of users.
 - its omission could influence the economic decision of users.
26. Stock is stated in the financial statement at a lower of cost and net realizable value in line with
- prudence concept.
 - consistency concept.
 - accrual concept.
 - matching concept.

Use the following information to answer questions 27 and 28.

	<i>GH¢</i>
Stock of raw materials (1/1/21)	10,000
Stock of raw materials (31/12/21)	8,000
Carriage inwards on raw materials	1,500
Purchase of raw materials	71,000

27. The cost of raw materials available is
- GH¢* 82,500.
 - GH¢* 81,000.
 - GH¢* 79,000.
 - GH¢* 71,000.

28. The cost of raw materials consumed is
 A. GH¢ 90,500.
 B. GH¢ 82,500.
 C. GH¢ 79,000.
 D. GH¢ 74,500.
29. The agreement of a trial balance is made possible due to the
 A. periodicity concept.
 B. dual aspect concept.
 C. money measurement concept.
 D. consistency concept.
30. Which of the following items is the **most** liquid?
 A. Stock
 B. Prepayment
 C. Cash
 D. Debtors
31. Which of the following items is found in Receipts and Payments Account?
 A. Provision for doubtful debt
 B. Provision for depreciation
 C. Purchase of fixed assets
 D. Bar closing stock
32. Where a partnership keeps a fluctuating capital account, partners' shares of profit are credited to
 A. Profit and Loss Account.
 B. Profit and Loss Appropriation Account.
 C. Partners' Capital Account.
 D. Partners' Current Account.

Use the following information to answer questions 33 and 34.

Profit sharing ratio for Bright and Bridget is 3:1 respectively. Profit for the year is \$ 250,000; Bridget's salary is \$ 3,500; interest on capital is \$ 8,600 for Bright and \$ 4,400 for Bridget.

33. Bright's share of profit is
 A. \$ 187,500.
 B. \$ 183,725.
 C. \$ 177,750.
 D. \$ 175,125.
34. Bridget's share of profit is
 A. \$ 66,275.
 B. \$ 62,500.
 C. \$ 59,250.
 D. \$ 58,375.
35. The document sent at regular intervals by the seller that notifies the buyer of balance due is
 A. petty cash voucher.
 B. statement of account.
 C. proforma invoice.
 D. delivery note.
36. Preliminary expenses during the formation of a limited liability company would be classified as
 A. a current asset.
 B. a liability.
 C. a reserve.
 D. an intangible asset.

Use the following information to answer questions 37 and 38.

	GH¢
Subscriptions owed (1/1/21)	77,000
Subscriptions in advance (31/12/21)	91,000
Subscriptions received in 2021	252,000
Club expenses in 2021	87,500

37. The Income and Expenditure Account for the year ended 31/12/21 would be credited with
- GH¢ 420,000.
 - GH¢ 266,000.
 - GH¢ 238,000.
 - GH¢ 84,000.
38. The surplus or deficit for the year ended 31/12/21 is
- GH¢ 164,500 surplus.
 - GH¢ 3,500 surplus.
 - GH¢ 3,500 deficit.
 - GH¢ 164,500 deficit.
39. The fluctuating capital account for partners is operated when
- there is a current account.
 - there is no current account
 - the capital account balances are minimal.
 - the drawings and interest on capital are minimal.

Use the following information to answer questions 40 and 41.

	₦
Capital 1/1/2020	75,600
Capital 31/12/2020	93,800
Additional capital	17,700
Drawings	16,300
Rent for the year	11,200

40. The gross profit or gross loss for the year is
- ₦ 19,600 profit.
 - ₦ 19,600 loss.
 - ₦ 16,800 profit.
 - ₦ 16,800 loss.
41. The net profit or net loss for the year is
- ₦ 8,400 profit.
 - ₦ 8,400 loss.
 - ₦ 5,600 profit.
 - ₦ 5,600 loss.
42. A bank reconciliation statement is prepared by the
- customer of the bank to verify the bank column of the cash book with the bank statement.
 - bank for their customers periodically or on request.
 - bank when their customers' accounts are overdrawn.
 - customer of the bank whenever an error is made in the bank column of the cash book.

Use the following information to answer questions 43 to 45.

Muda a trader, provided the following information relating to the year 2021.

Salaries and wages: Paid ₦ 200,000
Owed ₦ 167,000
Commission: Received ₦ 195,000
Receivable ₦ 166,000

43. The amount of expenses debited to the Profit and Loss Account for the year 2021 is
- ₦ 367,000.
 - ₦ 200,000.
 - ₦ 167,000.
 - ₦ 166,000.
44. The amount of revenue credited to Profit and Loss Account for the year 2021 is
- ₦ 361,000.
 - ₦ 195,000.
 - ₦ 166,000.
 - ₦ 25,000.
45. The balance sheet as at 31/12/21 will show current
- liability of ₦ 367,000.
 - asset of ₦ 361,000.
 - asset of ₦ 166,000.
 - liability of ₦ 166,000.
46. The trial balance is described as
- a statement showing the financial position of an organization.
 - an evidence that no error exists in the books.
 - a list of balances on the ledger accounts.
 - a proof of the accounting equation.

47. Which of the following accounts is a personal account?
- Machinery Account
 - Creditors Account
 - Cash Account
 - Salaries Account

Use the following information to answer questions 48 and 49.

	\$
Sales for the year	100,000
Opening stock	10,000
Closing stock	12,000
Gross profit margin is 25%	

48. The purchases for the year is
- \$ 78,000.
 - \$ 77,000.
 - \$ 75,000.
 - \$ 73,000.
49. The cost of goods sold for the year is
- \$ 78,000.
 - \$ 77,000.
 - \$ 75,000.
 - \$ 73,000.
50. Kay's Packing Materials Account shows a debit balance brought forward of Le 120. This means Kay
- used packing materials costing Le 120.
 - has a stock of packing materials unused costing Le 120.
 - is owed Le 120 for packing materials sold.
 - has a stock of packing materials costing Le 120 which is to be written off.

END OF PAPER