

SC1041
WASSCE 2024
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 2024



FINANCIAL ACCOUNTING 1
OBJECTIVE TEST

1 hour

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 2024', '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 Edem Kofi MUSAH. His *index number* is 7102143958 and he is offering *Financial Accounting 1*.

THE WEST AFRICAN EXAMINATIONS COUNCIL
ANSWER SHEET

<small>PRINT IN BLOCK LETTERS</small>		
Name: <u>MUSAH EDEM KOFI</u>		GHA
Examination: <u>WASSCE</u>		Year: <u>SC 2024</u>
Subject: <u>FINANCIAL ACCOUNTING</u>		Paper: <u>1</u>

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	0
1	0
0	0
2	0
1	0
4	0
3	0
9	0

For Supervisors only
If candidate is absent

SUBJECT CODE	
1	0
0	0
4	0
1	0
1	0
2	0

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]



[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.

- | | |
|--|--|
| <p>1. The employees in a business organization are concerned with</p> <ul style="list-style-type: none"> A. credit worthiness of the business. B. improvement of working conditions. C. tax liability of the business. D. opinion polls of the public. | <p>4. Which of the following errors will necessitate the use of suspense account? Error of</p> <ul style="list-style-type: none"> A. omission. B. commission. C. principle. D. transposition. |
| <p>2. The concept which underlies that stock should be shown at the lower of cost or net realizable value in the balance sheet is</p> <ul style="list-style-type: none"> A. prudence concept. B. accrual concept. C. entity concept. D. periodicity concept. | <p>5. The financial position of a business at a certain date will be shown in the</p> <ul style="list-style-type: none"> A. trading account. B. profit and loss account. C. appropriation account. D. balance sheet. |
| <p>3. Purchases refer to goods bought for</p> <ul style="list-style-type: none"> A. resale. B. credit. C. exchange. D. export. | <p>6. The source document for the preparation of purchases day book is</p> <ul style="list-style-type: none"> A. invoice. B. proforma invoice. C. receipt. D. payment voucher. |

Use the following information to answer questions 7 and 8.

A business acquired a motor van for Le 90,000 on 1/1/2020. The annual depreciation rate is 20% on reducing balance basis.

7. What is the depreciation charge for the year ended 31/12/2021?
- Le 43,740
 - Le 18,000
 - Le 14,400
 - Le 11,340
8. The accumulated depreciation at 31/12/2021 is
- Le 36,000.
 - Le 32,400.
 - Le 18,000.
 - Le 14,400.
9. If a trial balance totals fail to agree, the difference must be posted to a
- profit and loss account.
 - suspense account.
 - drawings account.
 - capital account.
10. Patents, copyrights and trademarks are examples of
- tangible fixed assets.
 - current assets.
 - intangible assets.
 - investments.
11. Factory wages are recorded in the
- sales account.
 - manufacturing account.
 - profit and loss account.
 - trading account.
12. The sum of N 20,000 given to a petty cashier as a reimbursement is
- capital.
 - loan.
 - float.
 - imprest.
13. Control accounts are prepared to serve as a check on
- general journal.
 - personal accounts.
 - source documents.
 - trial balance.
14. A system of accounting where a business fails to conform with the duality concept is
- bookkeeping.
 - single entry.
 - double entry.
 - statement of affairs.
15. The excess of expenditure over income will be shown in the balance sheet of not-for-profit making organization under
- accumulated fund.
 - current liability.
 - current asset.
 - fixed asset.
16. The reversal of dishonoured cheque in the cash book is recorded by debiting
- Bank Account and crediting Customer's Account.
 - Suppliers Account and crediting Bank Account.
 - Customer's Account and crediting Bank Account.
 - Bank Account and crediting Sales Account.

17. A reason for dishonouring cheques is when
- there is sufficient fund in the account.
 - there is an alteration on the cheque.
 - the withdrawal is for private use.
 - the account holder signature is regular.

18. The effect of insurance premium paid in advance in the balance sheet of a business is
- increase in asset; decrease in another asset.
 - increase in asset; increase in another asset.
 - decrease in asset; decrease in liability.
 - decrease in liability; increase in asset.

Use the following information to answer questions 19 and 20.

Mafinda Sports Club has thirty members whose annual subscription is \$ 200 per member. Subscription in advance and subscription in arrears on 1st January 2021 were \$ 200 and \$ 300 respectively, while subscription in advance and subscription in arrears on 31st December 2021 were \$ 500 and \$ 600 respectively.

19. The subscription figure to be posted to the income and expenditure account for 2021 is

- \$ 6,200.
- \$ 6,000.
- \$ 5,200.
- \$ 5,000.

20. The cash received during year 2021 is

- \$ 6,200.
- \$ 6,000.
- \$ 5,200.
- \$ 5,000.

21. Royalty paid is an example of

- materials cost.
- labour cost.
- direct expenses.
- overhead expenses.

22. Ayo bought goods on credit from Bayo. In which ledger will Ayo record this transaction?

- Sales ledger
- General ledger
- Private ledger
- Purchases ledger

23. One of the items in the appropriation account of a partnership is

- partners' loan.
- partners' drawings.
- interest on partners' drawings.
- partners' capital contributions.

24. A ledger as a principal book of account is used for

- single entry transactions.
- double entry transactions.
- making sales requisition.
- making purchases requisition.

Use the following information to answer questions 25 and 26.

The accounting period of *A and B Partnership* ends on 31st December 2022.

Partners drawings at the rate of 5% during the year were as follows:

Partner A : 1st June 2022 N 36,000

Partner B : 1st October 2022 N 12,000

25. The interest on drawings for *Partner A* for the year is

- N 1,800.
- N 1,200.
- N 1,050.
- N 900.

Use the following information to answer questions 32 and 33.

	GH¢
Stock 1/1/2023	20,000
Sales in 2023	190,000
Purchases in 2023	150,000
Carriage inwards	4,000
Returns inwards	10,000
Mark-up is 25%.	

26. The total interest on drawings for the year is
- ₦ 1,800.
 - ₦ 1,200.
 - ₦ 1,050.
 - ₦ 900.
27. The total creditors control account is used to determine
- cash sales.
 - credit sales.
 - cash purchases.
 - credit purchases.
28. Purchase of office furniture on credit is recorded in the
- general ledger.
 - journal proper.
 - purchases journal.
 - purchases account.
29. In manufacturing account, the total of direct material cost, direct labour cost and direct expenses is
- cost of raw materials consumed.
 - cost of raw materials available.
 - prime cost of production.
 - cost of production.
30. The excess of purchase consideration over the net realizable value of the assets is
- capital reserves.
 - revenue reserves.
 - goodwill.
 - premium.
31. The debit side of the three column cash book records cash, bank and
- discount received.
 - discount allowed.
 - creditors.
 - debtors.
32. The closing stock as at 31/12/2023 is
- GH¢ 40,000.
 - GH¢ 39,000.
 - GH¢ 36,000.
 - GH¢ 30,000.
33. The gross profit is
- GH¢ 47,500.
 - GH¢ 45,000.
 - GH¢ 36,000.
 - GH¢ 35,000.
34. The accounting treatment of goodwill for a business takeover is: debit
- Goodwill Account; credit Purchases of Business Account.
 - Purchases of Business Account; debit Goodwill Account.
 - Bank Account; credit Vendor Account.
 - Vendor Account; credit Bank Account.
35. The residual interest in the resources of an entity after deducting all of its obligations is
- asset.
 - liability.
 - capital.
 - income.

Turn over

36. Dividends are usually paid to shareholders as a percentage of
- gross profit.
 - authorized capital.
 - net profit.
 - paid-up capital.

37. In preparing a bank reconciliation statement, a standing order to a bank
- reduces the debit balance on the bank statement.
 - reduces the revised cash book balance.
 - increases the credit balance on the bank statement.
 - increases the revised cash book balance.

Use the following information to answer questions 38 to 40.

	<i>D</i>
Opening stock	1,200
Purchases	15,000
Sales	25,000
Closing stock	5,400
Cost of goods sold	10,800
General expenses	2,200

38. Cost of goods available for sale is
- D* 16,200.
 - D* 15,000.
 - D* 13,800.
 - D* 10,800.
39. The percentage of net profit to sales is
- 56.8%.
 - 48%.
 - 21.6%.
 - 8.8%.

40. The rate of stock turnover is
- 9 times.
 - 7.57 times.
 - 3.27 times.
 - 2 times.

41. An invoice is a source document for the preparation of the
- cash book.
 - sales returns journal.
 - trading account.
 - sales day book.

Use the following information to answer questions 42 and 43.

In *Ade Enterprises*, department A transferred goods worth *GH¢* 50,000 at cost to department B.

42. The account from where the value of the goods transferred would be deducted from is the
- purchases account of department A.
 - sales account of department A.
 - purchases account of department B.
 - sales account of department B.
43. The effect of the transaction on the cost of sale of *Ade Enterprises* is that it would
- increase by *GH¢* 50,000.
 - decrease by *GH¢* 50,000.
 - not be affected.
 - increase by *GH¢* 100,000.

44. The share capital of a company is divided into
- ordinary shares and preference shares.
 - authorized shares and ordinary shares.
 - debenture and preference shares.
 - ordinary shares and debenture.
- 45.
- | | <i>Le</i> |
|--------------------------|-----------|
| Balance as per cash book | 9,300 |
| Unpresented cheque | 590 |
| Uncredited cheque | 2,135 |
- The balance as per bank statement is
- Le* 12,025.
 - Le* 10,845.
 - Le* 7,755.
 - Le* 6,575.
46. When a debt written off is recovered, the accounting entries in the books would be : debit
- Bad Debts Account; credit Customer's Account.
 - Customer's Account; credit Bad Debts Account.
 - Customer's Account; credit Profit and Loss Account.
 - Bad Debts Account; credit Trading Account.
47. The Federal/Central government's department which is charged with the scrutiny of ministries' appropriation to ensure that they are authorized is the
- budget department.
 - payroll department.
 - stores department.
 - treasury department.
48. Shares issued at nominal value is issued at
- a discount.
 - a premium.
 - par.
 - interest.
49. A memorandum book used to ensure that there is **no** extra budgetary spending in public sector accounting is
- cash book.
 - vote book.
 - payment voucher.
 - virement warrant.
50. Sale of goods for D 2,060 to Alabi was **not** posted. This is an error of
- commission.
 - principle.
 - omission.
 - original entry.

END OF PAPER