

Question: The accounting concept that supports separation of business records from that of the owners is called

Answer:Entity concept

Question: A document sent by the seller if the buyer has been undercharged on the invoice is called

Answer:Debit note

Question: The book of original entry for recording motor car purchased on credit is

Answer:Journal

Question: An expenditure on repairs made to building is classified as

Answer:Revenue expenditure

Question: When a business owner withdraws cash from the business for private use the accounting entries are and

Answer:Dr cash account Cr drawings account

Question: The two accounts involved when an owner introduces his/her personal car into business are and

Answer:Car account and Capital account

Question: Motor vehicle can be classified under

Answer:Real account

Question: ABC enterprise paid N500 for Travelling expenses by cash The account to be debited is

Answer:Traveling expenses account

Question: Cheques collected from customers by the treasurer of a company but lodged with the bank after the closure of accounting books for the month will be classified as

Answer:Uncredited cheques

Question: The accounting entries for goods sold for N501000 cash are

Answer:Dr Cash account Cr Sales account

Question: A cheque payment posted to the credit side of the cash book but not in the debit column of the bank statement is

Answer:Unpresented cheques

Question: In which of the following ledgers can data relating to discount be found

Answer:Nominal ledger

Question: The Account to be credit when equipment acquired by cash is

Answer:Cash account

Question: The accounting entries for good returned by a customer are

Answer:Dr Return Inward account Cr Sales account

Question: What type of balance does an liability account maintains

Answer:Credit

Question: An Increase in asset is entered on side of the account

Answer:Debit

Question: Commission received is classified under

Answer:Nominal account

Question: The Accounting Equations is given by  
Answer: Assets Liabilities Capital

Question: A legal obligation to transfer assets or provide services to another entity that arises from some past transaction or event is called  
Answer: Liability

Question: Another name for Ownership interest is  
Answer: Owners Capital

Question: In financial accounting  
Answer: capital plus liabilities amount to assets

Question: Which of the following is a book of prime entry  
Answer: Purchases journal

Question: Sales Day Book is best described as  
Answer: containing credit sales

Question: A credit balance of N5000 in the petty cash book would mean that  
Answer: the book keeper has made a mistake

Question: Concept makes a distinction between the receipt of cash and the right to receive it and the payment of cash and the legal obligation to pay it  
Answer: Accrual

Question: the systematic recording of the facts that show the position of a business is referred to as  
Answer: Book keeping

Question: An increase in capital account will require  
Answer: Cr entry in capital account

Question: All expenses maintain balances  
Answer: Debit

Question: What is the accounting principle that states Anticipate no profit and provide for all possible losses  
Answer: Prudence

Question: When goods are sold on credit what is the effect of such transaction  
Answer: Income increases

Question: Given assets as 100000 and liabilities as 40000 determine the owners capital  
Answer: 60000

Question: Which of the following instruments is used to inform the buyer how much is owed for the goods supplied  
Answer: Invoice

Question: Equity in business represents  
Answer: Ownership interest

Question: The assumption that a business is not expected to be liquidated in the foreseeable future explains

Answer:Going concern concept

Question: Which of the following concepts distinguishes a business from the owner

Answer:Entity concept

Question: Which of the following concepts is accounting equation based

Answer:Double entry concept

Question: Which of the following is an introductory segment of accounting

Answer:Book keeping

Question: The cost of an asset is systematically reduced during its life span by a process often referred to as

Answer:Depreciation

Question: The caption

Answer:Prudence

Question: Which of the following concepts explains the occurrence of losses not necessarily when cash is received or paid

Answer:Accrual concept

Question: Which of the following must be paid into the payee bank account

Answer:Cross cheque

Question: The layout and information of the debit note is the same as invoice except it shows the details of

Answer:Undercharge

Question: A percentage reduction of amount the buyer is charged for goods bought is known as

Answer:Trade discount

Question: A reduction in the amount that a buyer has to pay within a given period of sale is known as

Answer:Cash discount

Question: Which of the following instruments will be issued if a seller has overcharged the buyer on the invoice

Answer:Credit note

Question: In business activity the taking and giving of values is referred to as

Answer:Transactions

Question: Which of the following is sent by the seller if the buyer is undercharged on the invoice

Answer:Debit note

Question: Given equity as N180000 and liabilities as N120000 determine the assets of the business

Answer:N300000

Question: Where payment is made or received sometime after delivery is known as

Answer:Credit transaction

Question: The credit note may be sent by the seller for the following reasons except

Answer: Undercharged on goods supplied

Question: Q1 ----- is a permanent record of all transaction book

Answer: Ledger

Question: Q2 ----- is the final destination of all transactions in the books of prime entries

Answer: Ledger

Question: Q3 The ----- accounts are the accounts of assets

Answer: Real

Question: Q4 The real sense of placing the book keeping entry in each account is called -----

Answer: Posting

Question: Q5 \_\_\_\_ system is an accounting system whereby every transaction that has to be recorded gives rise to two entries

Answer: Double entry

Question: Q6 \_\_\_\_ book is used instead of a cash ledger account in the general ledger

Answer: Petty cash

Question: Q7 Firms operates their petty cash on an ----- system

Answer: Imprest

Question: Q8 The ----- book is written from receipt and petty cash vouchers

Answer: Petty cash

Question: Q9 ----- is a reduction given by the supplier of goods to a buyer if the latter pays for them within a period stipulated by the seller at the time of sale.

Answer: Cash discount

Question: Q10 The ----- cash book represent three accounts

Answer: Three column

Question: Q11 The debit in two column book is credited to a ----- account in the general ledger.

Answer: Ledger

Question: Q12 A ----- cash book is used to record receipts and payments by cheque

Answer: Two column

Question: Q13 A ----- cash book is one in which cash and cheque transactions are recorded

Answer: two column

Question: Q14 The cash and bank accounts are taken out of the ledger and combined into a single book the -----

Answer: Cash book

Question: Q15 ----- can also be used to record transactions that are not appropriate to any other book of prime entry

Answer: Journal

Question: Q16 The ----- is used to record a variety of things that consist of accounting adjustments.

Answer: Journal

Question: Q17 The ----- book is written up from the credit notes received from suppliers

Answer: Purchases returns day

Question: Q18 \_\_\_\_ book is used to record the credit notes received from suppliers to goods returned where there has been overcharged on an invoice

Answer: Purchases returns day

Question: Q19 \_\_\_\_ book record the purchase on credit of those bought specially for resale

Answer: Purchase day

Question: Q20 The -----book is written up from copies of the credit notes retained by the seller

Answer: Sales return day

Question: Q21 ----- is a permanent record of all transaction book

Answer: Ledger

Question: Q22 ----- is the final destination of all transactions in the books of prime entries

Answer: Ledger

Question: Q23 The ----- accounts are the accounts of assets

Answer: Real

Question: Q24 The real sense of placing the book keeping entry in each account is called -----

Answer: Posting

Question: Q25 \_\_\_\_ system is an accounting system whereby every transaction that has to be recorded gives rise to two entries

Answer: Double entry

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Answer: Imprest

Question: Q28 The ----- book is written from receipt and petty cash vouchers

Answer: Petty cash

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--- account in the general ledger.

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and payments by cheque

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combined into a single book the -----

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that consist of accounting adjustments.

Answer: Journal

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notes received from suppliers

Answer: Purchases returns day

Question: Q38 \_\_\_\_ book is used to record the credit notes received from  
suppliers to goods returned where there has been overcharged on an  
invoice

Answer: Purchases returns day

Question: Q39 \_\_\_\_ book record the purchase on credit of those bought  
specially for resale

Answer: Purchase day

Question: Q40 The ----- book is written up from copies of the  
credit notes retained by the seller

Answer: Sales return day

Question: Q41 Which account book is written up from copies of the credit  
notes retained by the seller?

Answer: Sales return day book

Question: Q42 Which book is used to record goods sold on credit on daily  
transaction?

Answer: Sales return day book

Question: Q43 Each page of the ledger is split into -----

Answer: Two

Question: Q44 ----- often involve trade discount

Answer: Credit transactions

Question: Q45 ----- is a discount given to a buyer  
of a commodity.

Answer: Trade discount

Question: Q46 ----- is a fundamental equation and is a valuable basis from which to begin understanding the whole process of accounting

Answer: Accounting equation

Question: Q47 ----- is used to record receipts and payment by cheque

Answer: Two column cash book

Question: Q48 Which cash book shows cash received and paid recorded in one column on each side.

Answer: Single column cash book

Question: Q49 The nature of narration of ----- type of account usually starts with the word "being"

Answer: Journal

Question: Q50 Journal entries show ----- amount to be transferred to the ledger

Answer: Debit and credit

Question: Q51 Which of these is not an example of a non-current account?

Answer: Cash and cash equivalent

Question: Q52 ----- is used to record transactions that are not appropriate to any other book of prime entry

Answer: Journal

Question: Q53 Which book of account is used to record initial entry of transactions?

Answer: Journal

Question: Q54 ----- is credited to the purchase return ledger account in the general ledger

Answer: Total of the purchases return

Question: Q55 Which account day book is written up from credit notes received from suppliers?

Answer: Purchases returns day book

Question: Q56 Which record book is used for credit notes received from suppliers relating to goods returned?

Answer: Purchased returns day book

Question: Q57 ----- is an amount entered in purchased day book

Answer: Trade discount received

Question: Q58 The ledger that serve as control on individual credit suppliers account in separated ledger is called ----- ledger

Answer: Return inward

Question: Q59 In a purchase day book the total of the balances on the ledger becomes the ----- amount

Answer: Trade payable

Question: Q60 Which is the records in the books when it relates to cash receipts and payments

Answer: Receipt

Question: Q61 -----expenditure reduces profitability if allocated  
Answer: Capital

Question: Q62 ----- is carried forward because it will be over a number of periods to several periods revenue  
Answer: Capital expenditure

Question: Q63 A ----- is a legal obligation to transfer assets to another entity that arises from some past transaction  
Answer: Liability

Question: Q64 An accounting entity may be seen as a set of ----- and -----  
Answer: Asset and liability

Question: Q65 The ----- convention states that something should be disclosed or not in the financial statements  
Answer: Materiality

Question: Q66 ----- accounting convention permit accountant to follow a cautious approach  
Answer: Prudence

Question: Q67 The ----- of an asset that has a long but limited life is systematically reduced during its life by a process called -----  
-  
Answer: Cost, depreciation

Question: Q68 The money values that are assigned to assets are derived from the ----- concept  
Answer: Cost

Question: Q69 \_\_\_\_ is an example of accrual concept  
Answer: Electricity used but not yet paid

Question: Q70 The ----- accounting concept hold that profit is determined by including revenue and costs  
Answer: Accrual concept

Question: Q71 Which expenditure reduces profitability?  
Answer: Revenue expenditure

Question: Q72 Which expenditure shows the cost of purchasing non-current asset and cost of improvements to a non-current asset that lead to increased revenue?  
Answer: Capital

Question: Q73 The concept that hold that profit is made by including revenue and costs  
Answer: Accrual concept

Question: Q74 ----- accounting concept make distinction between the receipt and payment of cash as legal obligation  
Answer: Accrual concept

Question: Q75 Which account allow for goods sold for cash to be debited as cash comes in and credited as cash goes out?  
Answer: All of the above

Question: Q76 Which is known as accounts of assets?



Answer: Real account

Question: Q77 The essential rule of double entry system of accounting is known as -----

Answer: Golden rule

Question: Q78 ----- is used instead of a cash ledger account in the general ledger

Answer: Petty cash book

Question: Q79 One of these is one of the why three column is not commonly in practice

Answer: Cash received and paid is usually recorded in a separate petty cash book

Question: Q80 ----- is a reduction given by the supplier of goods to a buyer if the latter pays for them within a period by the seller at the time

Answer: Cash discount

Question: Q81 Investigations involving misappropriation of funds, money laundering and tax evasion are known as -----

Answer: Forensic Audit

Question: Q82 An Audit which involves the use of auditing and investigative skills to situations that may involve legal implications is called -----

Answer: Forensic Audit

Question: Q83 ----- involves the examination of the truth and fairness of the financial statements of an entity by an auditor who is independent of the organization.

Answer: Statutory audit

Question: Q84 External Audit is also known as -----

Answer: Statutory audit

Question: Q85 Which of the following does not belong to the debit side of a receivables control account?

Answer: Returns inwards

Question: Q86 ----- is opened in order to agree the Trial balance pending the time the error would be detected.

Answer: Suspense Account

Question: Q87 ----- occurs when a digit or more is left or added to a number or the decimal point is placed incorrectly.

Answer: Slide Error

Question: Q88 An error which is created by incorrect arrangement of the order of two (2) digits in a number is called -----

Answer: Transposition error

Question: Q89 ----- occurs where there is an entry in the wrong class of account.

Answer: Errors of Principle

Question: Q90 Errors which occur when an equal debit/credit figure recorded in the books is different from the actual amount in the source document are called -----.

Answer: Errors of Original entry

Question: Q91 An error which occurs where a wrong account in the same ledger is debited or credited is called -----

Answer: Error of Commission

Question: Q92 Errors which arise when a transaction is completely missing from the books are called -----

Answer: Error of Omission

Question: Q93 ----- are rebates granted to a debtor for making cash payments within a shorter time period than the normal credit period.

Answer: Cash discounts

Question: Q94 ----- entry is when the two entries for a transaction appear on both sides of the cash book.

Answer: contra

Question: Q95 ----- is the main or principal book of account where accounts are maintained for income, assets and expenses.

Answer: The ledger

Question: Q96 ----- are books into which transactions are recorded on a daily basis from the source documents and from which postings are made periodically.

Answer: Subsidiary books

Question: Q97 ----- is when all possible future profits are ignored.

Answer: Conservatism

Question: Q98 ----- is when profit is understated while all anticipated losses are recognized and taken into the books.

Answer: Prudence

Question: Q99 ----- concept accommodates all revenues and expenses to be received or charged in a given accounting period irrespective of what is actually received or paid.

Answer: Accrual

Question: Q100 ----- concept suggests that the business is separate from the owner

Answer: The Entity