

FBQ1: The underlying purpose of accounting isto provide financial information about an economic -----

Answer: Entity

FBQ2: The main statutory document for the regulation of business in Nigeria is the -----

Answer: Companies andAllied Matters Act 1990 (as amended in 2004).

FBQ3: ----- is the classification and recording of business transactions in the books of account.

Answer: Book keeping

FBQ4: ----- is an accounting process that starts with bookkeeping and ends with the preparation and interpretation of financial statements.

Answer: Financial Accounting

FBQ5: ----- is the collection of cost data in some organized ways by means of an accounting system.

Answer: Cost accumulation

FBQ6: ----- refers to the keeping of accounting record by hand written of relevant posting in the books of accounts.

Answer: Manual accounting system

FBQ7: ----- is a set of numbers and codes that define each account head and also differentiate between classes of accounts.

Answer: Chart of account

FBQ8: ----- enable some companies to use different accounting software for the financial records, but some organisation still prefer the manual system for one reason or the other.

Answer: Computerized information systems

FBQ9: A ----- is cheaper to install in terms of cost when compared with a computerized system of maintaining financial records.

Answer: Manual system

FBQ10: ----- is the assumption that an entity will continue in operational existence for the foreseeable future.

Answer: Going Concern Concept

FBQ11: ----- refers to the assumption that in the measurement of profit, costsshould be set against the revenue that they generate at the time when they arise.

Answer: matching concept

FBQ12: ----- concept allows a user to assume that all the transactions in an entityâ€™s financial statements reflect the actual cost price billed, or revenue charged, for items.

Answer: Historical cost

FBQ13: ----- assumes that when accounting for transactions the preparer should look at the economic substance of a transaction, not its legal form.

Answer: Substance Over Form Concept

FBQ14: ----- can be defined as a tangible or intangible resource that is owned or controlled by an accounting entity, and which is expected to generate future economic benefits.

Answer: An asset

FBQ15: ----- can be defined as a legal obligation to transfer assets or provide services to another entity that arises from some past transaction or event

Answer: A liability

FBQ16: ----- are amounts provided to allow for liabilities that are anticipated but not yet quantified precisely, or for reductions in asset values.

Answer: Provisions

FBQ17: _____ expenditure will have no value at the end of the period to which it relates.

Answer: Revenue

FBQ18: _____ typically includes the cost of purchasing a non-current asset and the cost of improvements to a non-current asset that lead to increased revenue, or sustained revenue.

Answer: Capital expenditure

FBQ19: . _____ is a reduction in the amount that the customer has to pay, provided payment is made within a given period stipulated by the seller at the time of sale.

Answer: Cash discount

FBQ20: ----- is sent by the seller if the buyer has been undercharged on the invoice. It has basically the same layout and information as the invoice except that instead of details of the goods, it shows details of the undercharge.

Answer: Debit note

FBQ21: ----- is used to record the purchase on credit of goods for resale.

Answer: Purchase Day Book

FBQ22: ----- are generally referred to as the unsold portion of goods held for resale.

Answer: Inventories

FBQ23: The assumption that the last batches of goods are considered to be sold first prior to earlier purchases is known as

Answer: LIFO

FBQ24: ----- uses a predetermined rate set by the entity's management for the purpose of calculating the cost of sales and inventory.

Answer: Standard Cost

FBQ25: ----- is a list of ledger account balances within a ledger, at a particular instance.

Answer: Trial balance

FBQ26: Error of ----- occurs when a transaction is recorded with the wrong amount at the beginning of the recording process.

Answer: Error of original entry

FBQ27: ----- are ownership interests a company has in another organisation.

Answer: Investments

FBQ28: ----- are financial obligations against the company that are not due for repayment within one year.

Answer: Treasury bills

FBQ29: ----- are non-distributable reserves that are retained to comply with certain laws or for accounting requirement.

Answer: Capital Reserves

FBQ30: ----- is a summary of customers or suppliers ledger in total.

Answer: Control account

FBQ31: ----- are payments made directly by the bank as a result of previous instructions given by the customer to the bank.

Answer: Standing orders

FBQ32: ----- becomes necessary as a result of differences between the cash book prepared by an account holder and the bank statement prepared by the bank.

Answer: Reconciliation

FBQ33: ----- is any item, process or activity for which a separate measurement of cost is required.

Answer: Cost object

FBQ34: ----- is to be used in any given situation is that which is most relevant to the purpose of the cost ascertainment exercise.

Answer: Cost Unit

FBQ35: Sugar PLC produces bottles of sugar with a Selling price of N1,000 and a variable cost of N600. Fixed cost is N6,000,000 per annum. Calculate the sales at break-even point.

Answer: N15,000,000

MCQ1: Book-keeping by Lucia Pacioli, an Italian monk was published in_____

Answer: 1494

MCQ2: The main statutory document for the regulation of business in Nigeria is the

Answer: Companies and Allied Matters Act 1990 (as amended in 2004).

MCQ3: Book-keeping is the _____ of accounting

Answer: recording phase

MCQ4: The accounting process that starts with bookkeeping and ends with the preparation and interpretation of financial statements is called _____.

Answer: Financial Accounting

MCQ5: Accounting information should possess the following qualities before users can rely on it, except

Answer: Predicting

MCQ6: _____ can be defined as broad basic assumptions that underlie the periodic financial statements of business enterprises.

Answer: Accounting concepts

MCQ7: An accounting concept in which assets will always equal liabilities plus owners' capital is called _____

Answer: Duality Concept

MCQ8: The _____ is the assumption that an entity will continue in operational existence for the foreseeable future.

Answer: going concern concept

MCQ9: _____ can be defined as a tangible or intangible resource that is owned or controlled by an accounting entity, and which is expected to generate future economic benefits.

Answer: An asset

MCQ10: Motor tax on the truck and lorry can be classified as _____

Answer: Revenue expenditure

MCQ11: _____ is sent by the seller if the buyer has been undercharged on the invoice.

Answer: A debit note

MCQ12: A form of payment that is convenient and safe is _____

Answer: The Cheque System

MCQ13: One of these is not a common method of valuing inventory.

Answer: stock-taking

MCQ14: The method of valuing inventory that uses a predetermined rate set by the entity's management for the purpose of calculating the cost of sales and inventory is

Answer: Standard cost

MCQ15: Credit transactions not relating to goods for resale (or services) are recorded

in _____
Answer: the journal

MCQ16: What is the process of making the balance on the bank column of a cash book to agree with the balance on the bank statement received from the bank?
Answer: Bank Reconciliation

MCQ17: The cost accounting system of any organization is the foundation of the -----
----- financial information system.
Answer: internal

MCQ18: In an organisation, who needs a variety of information to plan, to control and to make decisions?
Answer: Management

MCQ19: What may be defined as "Gathering of cost information and its attachment to cost objects, the establishment of budgets, standard costs and actual costs of operations, processes, activities or products; and the analysis of variances, profitability or the social use of funds".
Answer: Cost Accounting

MCQ20: Costs may be classified in numerous ways, but a fundamental and important method of classification is into:
Answer: direct and indirect costs

MCQ21: Prime cost and Overheads is equal to -----
Answer: Total cost

MCQ22: The total of direct costs is known as _____.
Answer: Prime Cost

MCQ23: What is determined as the point where total income from sales is equal to total expenses (both fixed and variable)?
Answer: Break-Even point

MCQ24: Which of these is not an example of fixed costs?
Answer: Commission

MCQ25: Which of these is not an example of variable costs?
Answer: Factory cost

MCQ26: Which of the following is used to test the arithmetical accuracy of postings?
Answer: Trial balance

MCQ27: Which of the following errors affect the trial balance?
Answer: Error of partial reversal of entry

MCQ28: Which of the following does not affect the trial balance?
Answer: Error of omission

MCQ29: The purpose of the statement of profit or loss is to determine one of the following

Answer: Net profit

MCQ30: Given sales #34,000; return inward #1,000; opening stock #3,000; purchases #6,000: determine the gross profit.

Answer: #24,000

MCQ31: Given a gross profit of #50,000; discount received #1,000; transport #5,000; salaries #10,000: determine the net profit.

Answer: #36,000

MCQ32: Given opening stock as #15,000; purchases #10,000; carriage inward #5,000; closing stock #11,000: what is the cost of goods sold?

Answer: #19,000

MCQ33: Assets that add value to the organization but cannot be seen are known as

Answer: Intangible assets

MCQ34: Given furniture #50,000; fittings #20,000; building #200,000; stock #60,000; debtors #40,000: determine the non-current assets.

Answer: #270,000

MCQ35: Which of the following are non-distributable reserves?

Answer: Capital reserves