

SC1041  
WASSCE 2021  
FINANCIAL  
ACCOUNTING 1  
Objective Test  
1 hour

1

- ❖ PAST QUESTIONS
- ❖ QUIZZES
- ❖ REVISION NOTES
- ❖ SYLLABUS / CHIEF EXAMINERS' REPORT
- ❖ LESSON NOTES
- ❖ FREE COURSES
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THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination  
for School Candidates

SC 2021

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 2021', '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 Adams Smith ACKAH. 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:	ACKAH ADAMS SMITH		
Examination:	WASSCE	Year:	SC 2021
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

For Supervisors only  
If candidate is absent

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  
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. The original record containing the details of a transaction which serves as a basis for posting is

- A. general ledger.
- B. source document.
- C. subsidiary book.
- D. trial balance.

2. In the preparation of financial statements, full disclosure of minor events are ignored in line with

- A. accrual concept.
- B. money measurement concept.
- C. business entity concept.
- D. materiality concept.

3. A limitation of the money measurement concept is that

- A. it results in inaccurate financial statements.
- B. financial statement is not easily understood.
- C. important non-monetary activities are not reported.
- D. the reports are not comparable to that of other businesses.

4. Where partners maintain a fluctuating capital account, partners' share of profit is credited to

- A. capital account.
- B. profit and loss appropriation account.
- C. current account.
- D. profit and loss account.

5. The difference between the market value of goods produced and the cost of production is

- A. net profit on goods sold.
- B. gross profit on manufacturing.
- C. closing stock of work-in-progress.
- D. prime cost of manufacturing.

Use the following information to answer questions 6 and 7.

Attama and Wawa were in partnership sharing profits and losses in the ratio 4:3. Attama was entitled to a salary of D 13,000 per annum. A net profit of D 34,000 was made for the year.

6. The residual profit of the business for the year is

A. D 47,000.  
B. D 34,000.  
C. D 22,000.  
D. D 21,000.

7. Attama's share of profit is

A. D 21,000.  
B. D 19,428.  
C. D 12,000.  
D. D 9,000.

8. Reducing balance method charges depreciation as fixed percentage of the

A. net book value of asset.  
B. cost of asset.  
C. market value of asset.  
D. accumulated depreciation on asset.

9. Goods returned to the supplier is recorded in the accounts as: debit

A. Sales Returns Account; credit Supplier's Account.  
B. Purchases Returns Account; credit Supplier's Account.  
C. Supplier's Account; credit Purchases Returns Account.  
D. Supplier's Account; credit Purchases Account.

10. Net profit of a sole proprietor is transferred to the

A. profit and loss account.  
B. profit and loss appropriation account.  
C. capital account.  
D. drawings account.

11. Accounting evolved out of the need of businesses for

A. profit making.  
B. record keeping.  
C. increasing sales.  
D. obtaining finance.

12. Sales account was undercast by GH¢ 1,000. When this is corrected, both the gross profit and the net profit would

A. increase by GH¢ 2,000.  
B. increase by GH¢ 1,000.  
C. decrease by GH¢ 1,000.  
D. decrease by GH¢ 2,000.

Use the following information to answer questions 13 and 14.

	Le
Sales for the year	450,000
Purchases for the year	230,000
Opening stock	60,000
Closing stock	40,000

13. The stock turnover period is

A. 88 days.  
B. 73 days.  
C. 58 days.  
D. 41 days.

14. The mark-up is

A. 88%.  
B. 80%.  
C. 44.44%.  
D. 26.67%.

15. Company as a legal entity means that it

A. must always have a company lawyer.  
B. can sue and be sued.  
C. must settle disputes among shareholders in court.  
D. should prepare accounts approved by a lawyer.

16. The type of stock recorded in the trading account of a manufacturing business is

A. raw materials.  
B. work-in-progress.  
C. consumables.  
D. finished goods.

17. Accounts of fixed assets are kept in the
- purchases ledger.
  - private ledger.
  - sales ledger.
  - general ledger.
18. Recurrent expenditure of a local government include
- erection of market stalls.
  - repayment of loans.
  - purchase of office equipment.
  - purchase of office stationery.
19. The accounting principle of double entry states that
- debit the giver and credit the receiver.
  - assets must be equal to capital plus liabilities.
  - every debit entry must have a corresponding credit entry.
  - debit entries increase liabilities while credit entries increase assets.
20. Lima paid off debt of D 2,500 owed to Dongo by cash. The entries in Lima's books are: debit
- Cash D 2,500; credit Dongo D 2,500
  - Dongo D 2,500; credit cash D 2,500
  - Bad Debt D 2,500; credit Dongo D 2,500
  - Dongo D 2,500; credit Bad Debt D 2,500
21. The petty cash account has an imprest of GH¢ 36,000 and a debit balance of GH¢ 10,000 at the end of the month. The reimbursement required would be
- GH¢ 46,000.
  - GH¢ 36,000.
  - GH¢ 26,000.
  - GH¢ 10,000.
22. Commercial activities undertaken by a social club to raise funds include
- donation.
  - bar.
  - grant.
  - subscription.
23. The **final** stage of accounting process is
- interpretation.
  - recording.
  - reporting.
  - summarizing.
24. The value of goods sent to a branch is debited to the
- Goods Sent to Branch Account.
  - Branch Debtors Account.
  - Branch Adjustment Account.
  - Branch Stock Account.
25. The **major** source of revenue for central/federal government is
- tenement rate.
  - excise duty.
  - market toll.
  - parking toll.
26. A business includes 50% mark-up on all its products. This would mean margin of
- $66\frac{2}{3}\%$ .
  - $66\frac{1}{3}\%$ .
  - $33\frac{2}{3}\%$ .
  - $33\frac{1}{3}\%$ .
- Use the following information to answer questions 27 and 28.
- |                    | GH¢     |
|--------------------|---------|
| Gross profit       | 50,400  |
| Discounts received | 3,300   |
| Discounts allowed  | 2,500   |
| Net profit         | 26,500  |
| Cost of goods sold | 184,000 |
27. Sales for the period is
- GH¢ 234,400.
  - GH¢ 210,500.
  - GH¢ 133,600.
  - GH¢ 76,900.

28. Other operating expenses for the period is

- A. GH¢ 27,300.
- B. GH¢ 25,700.
- C. GH¢ 24,700.
- D. GH¢ 23,900.

29. All cash transactions of a not-for-profit making organization are recorded in

- A. three-column cash book.
- B. income and expenditure account.
- C. subscriptions account.
- D. receipts and payments account.

30. Subsidiary books of account are used to record transactions

- A. made in the same period.
- B. of a similar nature.
- C. involving minor amounts.
- D. without source documents.

31. Members of a not-for-profit making organization

- A. earn dividend on their contributions.
- B. do not receive surplus at the end of the year.
- C. are paid interest on their contributions.
- D. share profits according to their contributions.

32. Accounting information that is useful for the intended purpose and would make a difference in decision making is

- A. comparable.
- B. consistent.
- C. relevant.
- D. reliable.

33. Manufacturing account is prepared to determine the

- A. cost of goods sold.
- B. cost of goods produced.
- C. profit on goods produced.
- D. value of work-in-progress.

34. The concept that enables a business to determine the actual profit or loss for a particular period is

- A. accrual concept.
- B. business entity concept.
- C. consistency concept.
- D. going concern concept.

35. An amount set aside out of profit for a specific purpose is a

- A. reserve.
- B. liability.
- C. provision.
- D. discount.

Use the following information to answer questions 36 and 37.

	₦
Creditors (01/01/19)	223,000
Creditors (31/12/19)	316,000
Credit purchases	1,426,000
Discount received	64,000
Company's cheque dishonoured	90,000

36. Payment to creditors is

- A. ₦ 1,423,000.
- B. ₦ 1,359,000.
- C. ₦ 1,333,000.
- D. ₦ 1,295,000.

37. Amount owed to creditors on 31/12/19 is

- A. ₦ 406,000.
- B. ₦ 342,000.
- C. ₦ 316,000.
- D. ₦ 226,000.

38. The objective of preparing departmental accounts is to determine the

- A. sales of each department.
- B. total cost attributable to each department.
- C. capital employed by each department.
- D. profitability of each department.

39. The partner who partakes in the management of the firm and assumes personal responsibility for the firm's debts is a

- A. general partner.
- B. sleeping partner.
- C. quasi partner.
- D. limited partner.

40. Acid test ratio of a firm measures the

- A. profitability of a firm.
- B. capital adequacy of a firm.
- C. liquidity of a firm.
- D. quality of debtors of a firm.

*Use the following information to answer questions 41 and 42.*

Cost of asset (01/01/18) ₦ 600,000  
Annual depreciation charge is 15% on reducing balance basis.

41. Depreciation for the year 2019 is

- A. ₦180,000.
- B. ₦166,500.
- C. ₦90,000.
- D. ₦76,500.

42. The net book value of the asset at 31/12/19 is

- A. ₦ 523,500.
- B. ₦ 510,000.
- C. ₦ 433,500.
- D. ₦ 420,000.

43. Wages accrued is shown in the balance sheet as

- A. an asset.
- B. an income.
- C. an expense.
- D. a liability.

44. Provision is made in the accounts when the amount involved in the anticipated loss is

- A. too much.
- B. not significant.
- C. not certain.
- D. well known.

45. Accounting concepts are rules of accounting which are to be

- A. taught in all accounting classes.
- B. implemented by all professional bodies.
- C. followed in the preparation of financial statements.
- D. applied in correction of business errors.

*Use the following information to answer questions 46 and 47.*

	GH¢
Monthly Rent payable	3,000
Rent paid on 01/01/2018	48,000

46. Rent expense for 2018 was

- A. GH¢ 84,000.
- B. GH¢ 48,000.
- C. GH¢ 36,000.
- D. GH¢ 12,000.

47. The balance of rent in the balance sheet would be

- A. current asset of GH¢ 36,000.
- B. current asset of GH¢ 12,000.
- C. current liability of GH¢ 12,000.
- D. current liability of GH¢ 48,000.

48. Suspense account is used in the correction of
- A. all errors in the trial balance.
  - B. errors that affect the agreement of a trial balance.
  - C. errors that do not affect the agreement of a trial balance.
  - D. errors that affect the accuracy of the net profit.
49. A transaction that would cause the cash book balance to be less than the bank statement balance is
- A. direct debit.
  - B. standing order.
  - C. bank charges.
  - D. unpresented cheques.
50. The cost of goods sold for the year is *Le* 200,000 and the mark-up is 30%. The sale for the year is
- A. *Le* 260,000.
  - B. *Le* 200,000.
  - C. *Le* 140,000.
  - D. *Le* 60,000.

***END OF PAPER***

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