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QUESTIONS

TOPIC: CONTRACT AND ESTATE ACCOUNT

DIRECTION: Choose the correct answer from the lettered options.

1. All costs arising at the completion of the contract is _____ to the contract
 - A. debited
 - B. credited
 - C. added
 - D. posted

2. _____ is appointed to handle the properties of a deceased person
 - A. Accountant
 - B. Lawyer
 - C. Engineer
 - D. Executor

3. In contract account Work-In-Progress is debited?
 - A. True
 - B. False

4. _____ is money held by the Employer/Client as a safeguard against defects which may subsequently develop and which the Contractor may fail to remedy
 - A. Sustainance money
 - B. Relief
 - C. Deposit money
 - D. Retention money

5. The following are enteries in Contract account EXCEPT _____

- A. debit Contract account with all the expenses applicable to the particular contract
- B. debit Contract account with all the Revenue applicable to the particular contract
- C. debit Personal account of customers with contract price
- D. when the customers pays, Credit his personal account and Debit bank

6. ____ relates to construction activities

- A. Departmental accounting
- B. Manufacturing accounting
- C. Consignment accounting
- D. Contract accounting

7. Mortgage financing provides credit facility for _____

- A. purchase of business
- B. procurement of materials
- C. procurement of shares
- D. real estates

8. When a contract is completed, the agreed contract price is transferred from the contract account to the _____ account of the customer.

- A. current
- B. personal
- C. savings
- D. company

TOPIC: DEPARTMENTAL ACCOUNTS AND BRANCH ACCOUNTS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following statements is correct about the head office current account and the branch current account?

- A. Both always have debit balance
- B. Both always have credit balance
- C. The head office current account has a credit balance while the branch current account has a debit balance
- D. The head office current account has a debit balance while the branch current account has a credit balance
- E. All of the above

2. One of the following is the method of apportionment of expenses in departmental account EXCEPT _____

- A. Floor space basis
- B. Turnover basis
- C. Direct analysis basis
- D. Purchases basis

3. Which of the following is not an objective of branch account?

- A. To prevent fraud
- B. To maximise cost and make comparison
- C. Verification of stock
- D. To ascertain project

4. Where the branches keep separate accounts, the accounting entries are;

- (i) Head office account in the branch books
 - (ii) Branch account in the head office books
 - (iii) Head office account in the head office books
- A. (i) and (ii) only
 - B. (ii) and (iii) only
 - C. (i) and (iii) only
 - D. (i), (ii) and (iii)

5. Cash stolen from Branch takings is recorded in the Head Office books by debiting _____

- A. defalcations account and crediting branch stock account.
- B. mark-up account and crediting branch stock account.
- C. defalcations account and crediting profit and loss account.
- D. cash account and crediting branch stock account.
- E. branch stock account and crediting defalcations account.

6. The preparation of final account in both branch and departmental account are similar

- A. TRUE
- B. FALSE

7. Departmental accounts are maintained to ascertain the _____

- A. profits of the entire organization.
- B. contribution of each department.
- C. expenses of each department.
- D. sales of each department.
- E. purchases of each department

8. The aim of separating the several activities of a business in order to compare result and to assist the owner is known as _____

- A. Branch Accounting
- B. Sections Accounting
- C. Departmental Accounting
- D. Public Accounting

9. Which of the following are advantages of departmental

- (i) The department making the highest profit can be easily determined.
- (ii) The capital of the business can be calculated easily.
- (iii) Easy knowledge of the sources of funding

- A. i only
- B. ii and iii only
- C. i and ii only
- D. iii only
- E. ii only

10. The correct entry to reflect the receipt of cash sent by a branch to a head office is _____

- A. debit cash and credit branch current account.
- B. debit branch current account and credit cash.
- C. credit branch debtors and debit cash.
- D. credit branch current account and debit branch debtors.

11. Where the price of a good is fixed by the head office and then charged to the other branches, it is known as _____

- A. Cost price
- B. Cost plus a percentage
- C. Cost price less percentage

D. Selling price method

12. What is the cost of goods for Footwear department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ 4,120
- B. ₦ 3,400
- C. ₦ 3,100
- D. ₦ 2,800
- E. ₦ 3,000

13. What is the net profit (or loss) contributed by Department B?

	A	B
	=N=	=N=
Opening Stock	5,000	1,500
Purchases	26,000	3,000
Closing Stock	7,000	2,500
Sales	45,000	4,000

The following expenses are to be shared in the ration of 4:1

Rent	_____	=N= 8,300
General expenses	_____	=N= 3,200

- A. ₦2,000
- B. (₦ 1,500)

- C. (₦ 300)
- D. ₦300

14. The accounting treatment when goods are sent to branch at cost is, debit Branch Stock Account and credit_____

- A. Branch Stock Adjustment Account
- B. Goods Sent to Branch Account
- C. Branch Debtors Account
- D. Branch Profit and Loss Account

15. Department F transferred some goods to Department G at selling price. The goods were not sold at the end of the accounting period. What account is affected at the time of preparing a combined balance sheet?

- A. Creditors
- B. Debtors
- C. Stock
- D. Suspense

16. Pick the odd item from the list below.

- A. Excel
- B. Peachtree
- C. DacEasy
- D. Corel draw

17. Given that rates and rents is ₦20,000 allocate the expenses in proportion to the floor areas of Dept B where

Dept A = $\frac{1}{5}$

B = $\frac{2}{5}$

C = $\frac{2}{5}$

- A. ₦ 4,000
- B. ₦6,000
- C. ₦ 10,000
- D. ₦ 8,000

18. If goods are invoiced to a branch office at cost and the invoice par value is ₦2000 with 5% discount rate, cash remitted to the head office is _____

- A. ₦ 2,100
- B. ₦2,000
- C. ₦ 1,900
- D. ₦ 100

19. X and Y are two departments that are to share 50% of all joint costs equally and the balance in the ratio 2 : 1. If a sum of ₦150,000 is incurred jointly, what will be the portion attributed to X ?

- A. ₦37,500
- B. ₦62,500
- C. ₦87,500
- D. ₦100,000
- E. None of the above

20. Branch account is determined by one of the following;

- A. Location of the branches
- B. The degree of control exercised by each office
- C. The capital employed
- D. Place of purchase

21. What is the net profit of Stationery department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ (2,359)
- B. ₦ (6,000)
- C. ₦ 2,359
- D. ₦ 1,520
- E. ₦ 6,000

22. Goods sent to any branch can be priced as follows EXCEPT

- (i) At cost plus mark up
 - (ii) At cost
 - (iii) At selling price
 - (iv) At sales
- A. (iv) only
 - B. (i) only
 - C. (ii) and (iii)
 - D. (iv) amd (i)

23. Which of the following entries is effected by a department when goods are charged to it at selling price?

- A. Stock account is debited
- B. Purchases account is debited
- C. Stock account is credited
- D. Mark-up account is debited

24. What is the cost of goods for Stationery department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ 4,120
- B. ₦ 3,400
- C. ₦ 3,000
- D. ₦ 2,800
- E. ₦ 2,400

25. Branch Accounting can be divided into _____

- A. 4
- B. 2
- C. 1
- D. 3

26. Two methods of accounting entry for branch accounts are Double column and Branch adjustment method.

- A. TRUE
- B. FALSE

27. A major benefit derived from the reconciliation of branch and head office books is _____

- A. to determine accurate returns by the branch.
- B. to ascertain the correct profit or loss on branch activities.
- C. to enable the branch to keep control over stock.
- D. to enable the branch to ascertain debtors balance.

28. Halal Ltd. with three departments has a total of ₦7,200,000 as net debtors for the year ended 31\12\97. The company's policy provides for 15% bad debt annually. Which of the following represents the total balance of debtors before adjustment?

- A. ₦6,120,000
- B. ₦6,120,300
- C. ₦8,280,000
- D. ₦8,820,000
- E. ₦7,880,000

29. Departmental accounting aims at classifying and analysing the several activities of a business

- A. TRUE
- B. FALSE

30. When goods are transferred between departments, the double entry recording will be

- (i) Debit the department receiving the goods
- (ii) Credit the department receiving the goods

(iii) Credit the department giving the goods

(iv) Debit the department giving the goods

- A. (i) only
- B. (i) and (iv) only
- C. (ii) and (iv) only
- D. (i) and (iii) only

31. The process whereby goods are transferred between departments is called _____

- A. departmental transfer
- B. inter - branch transfer
- C. branch transfer
- D. inter - departmental transfer

32. What is the net profit of Footwear department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦1,880
- B. ₦1,600
- C. ₦4,159
- D. ₦8,895

E. ₦11,895

33. Branch account is determined by one of the system of accounting.

- A. Location of the branches
- B. The degree of control exercised by each office
- C. The capital employed
- D. Price of purchase

34. The best method of allocating expenses among departments is to_____

- A. allocate expenses to each department in proportion to the sales of that department.
- B. charge against each department those costs which are within its control.
- C. charge expenses against each department in proportion to the purchases of that department.
- D. allocate expenses to each section of the department in relation to the number of people.

35. Inter-departmental transfer of goods is not part of sales

- A. TRUE
- B. FALSE

36. The following are opening balances in the ledger accounts of Dr Ray Limited;

Plant and Equipment ₦40,000

Trade receivables ₦9,000

Inventories..... ₦5,000

Bank balance (credit)..... ₦7,500

Loan ₦10,000

What is the total asset value of the company?

- A. ₦45,000

- B. ₦54,000
- C. ₦64,000
- D. ₦75,000
- E. ₦61,500

37. What was the company's gross profit for the year?

	A	B
	₦	₦
Opening Stock	5,000	1,500
Purchases	26,000	3,000
Closing Stock	7,000	2,500
Sales	45,000	4,000

The following expenses are to be shared in the ratio of 4:1

Rent	₦	8,300
General expenses	₦	3,200

- A. ₦ 11,500
- B. ₦12,500
- C. ₦ 20,000
- D. ₦ 23,000

38. The head office usually issues goods to branches at _____

- A. prime cost
- B. production cost.
- C. net realizable value.
- D. cost price.

39. When drawing up the balance sheet of a firm with different branches, the trial balance of the branch is sent to the head office

- A. TRUE

B. FALSE

40. Which of the following is the basis for apportioning rent amongs departments?

- A. Sales
- B. Floor area
- C. Number of employee
- D. Direct labour
- E. Number of days used

41. Branch accounts does not take into consideration the enteries of transactions in the books of an organisation with different branches

- A. TRUE
- B. FALSE

42. Where the price of a good is fixed by the head office and then charged to the other branches is known as _____

- A. Cost price
- B. Cost plus a percentage
- C. Cost price less percentage
- D. Selling price

43. Where the branches keep seperate accounts, the accounting enteries are:

- (i) head office account in the branch books
- (ii) branch accounts in the head office books
- (iii) head office account in the head office books.

- A. (i) and (ii)
- B. (ii) and (iii)
- C. (i) and (iii)

D. (i), (ii) and (iii)

44. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much rent is apportioned to department C?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

A. ₦ 2,000

B. ₦1,800

C. ₦1,200

D. ₦ 1000

E. ₦ 800

45. Departmental Accounts does not analyse the revenue/income generated and expenses incurred, section by section

A. TRUE

B. FALSE

46. Given the following:

Sales Dept.

A ₦ 50,000

B ₦ 40,000

C ₦ 60,000

Purchase Dept.

A ₦15,000

B ₦5,000

C ₦10,000

Opening Stock.

A ₦ 10,000

B ₦5,000

C ₦20,000

Calculate the gross profit for dept C

A. ₦ 15,000

B. ₦ 25,000

C. ₦ 20,000

D. ₦30,000

47. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much of selling and distribution expenses is apportioned to Department A?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

A. ₦1,800

- B. ₦800
- C. ₦720
- D. ₦ 600
- E. ₦400

48. The advantages of departmental accounts are

- (i) The gross profit of each department can be ascertained
- (ii) The result of each managers can be known
- (iii) The progress of each department can be monitored

- A. (i) only
- B. (ii) and (iii) only
- C. (i) and (iii) only
- D. All of the above

49. Rent is apportioned to each department on the basis of _____

- A. area or space occupied
- B. equality
- C. turnover
- D. purchases

50. To account for expenses paid by head office on behalf of the branch, the branch should _____.

- A. debit head office account and credit cash.
- B. debit profit and loss account and credit head office account.
- C. credit cash and debit profit and loss account.
- D. credit profit and loss account and debit head office account.

51. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much of selling and distribution expenses is apportioned to Department B?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

- A. ₦1,800
- B. ₦ 800
- C. ₦ 600
- D. ₦ 480
- E. ₦400

52. The difference between the closure of the books of a branch and those of a separate company is that _____

- A. there is retained earnings account on the branch book.
- B. the revenue and expense account is closed to branch current account.
- C. there is no retained earnings account on the branch books.
- D. the revenue and expense account is not closed to the home office current account.

53. Mark-up on goods sent to branch offices are recorded in the books by crediting _____

- A. stock adjustment account and debiting branch stock account

- B. goods sent to branch account and debiting branch stock account
- C. branch stock account and debiting stock adjustment account
- D. cash account and debiting branch stock account
- E. branch stock account and crediting defalcations account

54. The method that provides a reliable check upon cash and stock at the branch and discloses the gross profit in the account is _____

- A. cost plus percentage
- B. cost price
- C. average cost
- D. selling price

55. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information. How much rent is apportioned to Department A?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

- A. ₦ 2,000
- B. ₦1,800
- C. ₦ 1,200
- D. ₦ 1,000
- E. ₦ 800

TOPIC: INTRODUCTION TO DATA PROCESSING

DIRECTION: Choose the correct answer from the lettered options.

1. One megabyte is equal to _____

- A. 8 bytes.
- B. 1 million bytes.
- C. 10 million bytes.
- D. 1 billion bytes.

2. In computing, ALU stands for _____

- A. Accounting Logical Unit
- B. Arithmetic and Logic Unit
- C. Access Logic Unit
- D. Additional Logic Unit

3. Which of the following serves as input, storage, and output device of a computer?

- A. Diskette
- B. Keyboard
- C. Monitor
- D. Printer
- E. Mouse

4. The elimination of faults in a computer program is called _____.

- A. console
- B. debugging
- C. dump
- D. loop

5. Which of the following serves as an input, storage and output device of a computer?

- A. Diskette
- B. Keyboard
- C. Monitor
- D. Printer

6. Which of the following is an example of an input device?

- A. Printer
- B. Keyboard
- C. Visual Display Unit
- D. Central Processing Unit

7. Into how many major types can general-purpose computers be classified?

- A. Six
- B. Five
- C. Four
- D. Three

8. Hardware in data processing refers to _____

- A. programs run on the computer
- B. entry and storage of information on computer
- C. microsoft disc operating system
- D. physical components of the computer

9. In a not for profit making organization, the excess of income over expenditure is _____

- A. added to capital

- B. added to accumulated fund
- C. deducted from capital
- D. deducted from accumulated fund

10. A medium of inputting data into the computer is through the use of the _____

- A. keyboard
- B. monitor
- C. software
- D. hardware

11. The collection and organization of data is _____

- A. accounting process
- B. central processing
- C. data processing
- D. data manipulation

12. Which of the following is a temporary storage device in an electronic computer?

- A. Bits
- B. RAM
- C. Data
- D. ROM

TOPIC: PUBLIC SECTOR ACCOUNTING

DIRECTION: Choose the correct answer from the lettered options.

1. In a public corporation, the capital expenditure incurred in a financial period is _____

- A. spread over the useful life of the assets through depreciation.
- B. apportioned at a pre-determined rate stipulated by law.
- C. written off in the year in which they occur.
- D. merged with recurrent expenditure and reported in one lump sum.

2. Materials are taken out of government unallocated store by means of _____

- A. verbal instruction by the governor
- B. stores issue voucher
- C. stores credit voucher
- D. stores ledger card
- E. departmental authorization order

3. Which of the following is the basis of accounting in the civil service?

- A. Account
- B. Cash
- C. Income
- D. Expenditure
- E. Profit

4. Which of the following is TRUE in public sector accounting? Cost of assets is _____

- A. depreciated on straight line method.

- B. depreciated on reducing balance method.
- C. expensed in the year of purchase.
- D. charged to Federation Account.
- E. not recognized in any form.

5. The authority of the Accountant-General to disburse from government fund is _____

- A. provision
- B. warrant
- C. vote
- D. estimate

6. Which of the following is not an advantage of using cash basis?

- A. It is simple to operate and easy to understand
- B. It ignores depreciation
- C. It helps in the comparison of performance
- D. It is factual
- E. It helps in the evaluation of actual performance

7. The conventional sources of public revenue include _____

- A. loans, taxation, foreign reserves and dividends.
- B. interest, royalties, taxation and loans.
- C. crude oil, interest, posted price and taxation.
- D. deficit budgeting, royalties and taxation.

8. The chief accounting officer of the federation is the_____.

- A. Minister of Finance
- B. Auditor General

- C. Accountant General
- D. Chief Accountant
- E. Governor of Central of Nigeria

9. The expenditure on goods and services which are consumed either immediately or within a current accounting period is _____

- A. annual expenditure
- B. budgetary expenditure
- C. capital expenditure
- D. recurrent expenditure
- E. current expenditure

10. Which of the following accounts is kept by local governments in Nigeria?

- A. Balance sheet
- B. Advance account
- C. Debtors account
- D. Profit and loss account

11. A financial plan of action expressed in monetary terms is _____

- A. a warrant
- B. a budget
- C. an imprest
- D. a consolidated fund

12. A financial plan of estimates of future expected income and expenditure is known as _____

- A. financial report
- B. budget

- C. financial standard
- D. cost accounting
- E. management accounting

13. The document evidencing a disbursement of government fund is known as _____

- A. bill
- B. invoice
- C. till book
- D. payment voucher
- E. local purchase order

14. Which of the following serves as the main Government fund used to service all operations of the government?

- A. General fund
- B. Consolidated revenue fund
- C. Consolidated reserve fund
- D. Special fund

15. All are sources of local government revenue except _____.

- A. direct taxes
- B. statutory allocation
- C. non statutory allocation (grants, donations)
- D. property rates
- E. fines and penalties

16. The total Capital expenditure of Eko Local Government Area is _____

Eko Local Government Expenditure

	=N=
Hospital buildings	200,000
Drugs	180,000
Hospital beds and mattresses	40,000
Doctors' and nurses' salary	120,000
Admin. expenses	50,000

- A. ₦420,000
- B. ₦380,000
- C. ₦240,000
- D. ₦200,000
- E. ₦180,000

17. Recurrent expenditure of government is paid from _____.

- A. reserve fund
- B. consolidated revenue fund
- C. development fund
- D. personal advance fund
- E. contingencies fund

18. As evidence of payment to a government ministry, the revenue collectors issue _____

- A. treasure card
- B. receipt voucher
- C. treasure receipt

- D. payment voucher
- E. stores receipt voucher

19. The officer responsible for ascertaining whether all public expenditure and appropriation are in line with approved guidelines is the _____

- A. Accountant General.
- B. Auditor General.
- C. Finance Minister.
- D. Permanent Secretary.

20. _____ is the name given to a budget in public sector accounting?

- A. Actual amount to spent
- B. Amount needed
- C. Estimate
- D. Government fund
- E. propose sum

21. The financial plan of the government for a year is contained in the _____.

- A. analysis Book
- B. gazette
- C. budget
- D. vote
- E. draft

22. An evidence of payment to a government treasury, revenue collectors issue _____

- A. treasury card
- B. receipt voucher card

- C. treasury receipt
- D. payment voucher

23. The authority of the Accountant - General to disburse from government fund is called _____

- A. voucher.
- B. warrant.
- C. estimate.
- D. provision.
- E. vote.

24. The public sector (government) commonly use the cash basis while the private sector uses _____.

- A. cash basis
- B. accrual basis
- C. modified accrual basis
- D. commitment basis
- E. modified cash basis

25. The financial year of a company is known as its _____

- A. accounting bases
- B. accounting period
- C. accounting year
- D. accounting method

26. The financial plan of the government for a year is contained in the _____.

- A. vote book
- B. cash analysis book

- C. budget
- D. general
- E. gazette

27. Which of the following is used before the appropriation bill is approved?

- A. Supplementary general warrant
- B. Provisional general warrant
- C. Reserved expenditure warrant
- D. Virement warrant
- E. Supplementary statutory expenditure warrant

28. The channel through which all government borrowing and domestic lending transactions follows is called _____.

- A. special trust fund
- B. agency fund
- C. national loan fund
- D. contingency fund

29. The body constitutionally charged with the responsibility of examining the audited accounts of the Federation and other reports as referred by the National Assembly is the _____.

- A. Public Accounts Committee.
- B. Public Audit Committee.
- C. Internal Audit Committee.
- D. External Audit Committee.

30. Which of the following is the basis of accounting in the civil service?

- A. Accrual
- B. Cash

- C. Income
- D. Expenditure
- E. Profit

31. Recurrent expenditure of government is paid from _____

- A. reserve fund.
- B. consolidated revenue fund.
- C. development fund.
- D. contingencies fund.
- E. personal advance fund.

32. The amount of individual items on government budget is called _____

- A. a vote.
- B. a deposit.
- C. investment.
- D. a loan.
- E. a grant.

33. The document evidencing a disbursement of government fund is known as _____

- A. bill.
- B. invoice.
- C. till book.
- D. payment voucher.
- E. local purchase order.

34. The receipts from a special tax levy to pay maturing interest obligations are recorded in _____

- A. capital project fund
- B. debt service fund
- C. tax assessment fund
- D. special revenue fund

35. If a monthly insurance premium is remitted to a company by the state government, the initial deduction from employees are recorded in _____

- A. the general fund.
- B. the agency fund.
- C. the special fund.
- D. the general long-term fund.

36. While pension is paid periodically (monthly) gratuity, is paid _____

- A. bi-monthly
- B. quarterly
- C. semi-annually
- D. annually
- E. once

37. As evidence of payment to a government ministry, the revenue collectors issue _____

- A. treasury card
- B. receipt voucher card
- C. treasury receipt
- D. payment voucher
- E. stores receipt voucher

38. The cash basis of accounting requires the recognition of revenue only when they are _____.

- A. Due
- B. Wished
- C. Paid
- D. Received

39. Which of these best defines pension?

- A. A lump sum of money payable to an employee upon his/her retirement from service
- B. A statutory periodic payment made in favour of an employee upon his/her retirement from active service
- C. A compulsory payment made to a civil servant who has retired from service
- D. A statutory lump sum of money paid once to an employee who retires from active service
- E. A lump sum of money given to a retired military officer

40. A financial plan of action expressed in monetary term is known as _____

- A. Imp rest
- B. Consolidated fund
- C. Warrant
- D. Budget
- E. Development fund

41. Which of the following serves as a main government fund used to service all operations of the government?

- A. General fund
- B. Consolidated revenue fund
- C. Consolidated reserve fund
- D. Consolidated capital fund
- E. Special fund

42. is based on _____

- A. cash.
- B. accrual.
- C. budgets.
- D. consolidated fund.
- E. shares.

43. The document prepared for the disbursement of government fund is _____

- A. an invoice
- B. a receipt
- C. a payment voucher
- D. a bill

44. Which of the following does not relate to government accounting system?

- A. Vote
- B. Trial balance
- C. Consolidated fund
- D. Profit and Loss account

45. Recurrent expenditure is _____.

Eko Local Government Expenditure

	=N=
Hospital buildings	200,000
Drugs	180,000
Hospital beds and mattresses	40,000
Doctors' and nurses' salary	120,000
Admin. expenses	50,000

- A. ₦390,000
- B. ₦360,000
- C. ₦350,000
- D. ₦170,000
- E. ₦150,000

46. The amount of individual items on a government budget is called _____.

- A. a vote
- B. a deposit
- C. an investment
- D. a loan
- E. a grant

47. Which of the following is not a source of revenue for local government?

- A. Mining royalties
- B. Radio and T.V. licences
- C. Teement/property rates
- D. Business permit fee

48. Recurrent expenditure of government is paid from _____

- A. contingencies fund.
- B. reserve fund.
- C. development fund.
- D. consolidated fund.

49. The financial plan of the government for a year is contained in the _____

- A. vote book.
- B. cash analysis book.
- C. budget.
- D. general order.
- E. gazette.

50. Which of the following is not true of capital expenditure?

- I. Assets acquired for the purpose of earning income.
- II. Extension of office building.
- III. It is incurred and its full benefits consumed in one period of account.

- A. i only
- B. ii only
- C. i and ii only
- D. ii and iii only
- E. iii only

ANSWERS

TOPIC: CONTRACT AND ESTATE ACCOUNT

DIRECTION: Choose the correct answer from the lettered options.

1. All costs arising at the completion of the contract is _____ to the contract

- A. debited
- B. credited
- C. added
- D. posted

The correct answer is option [A]

2. _____ is appointed to handle the properties of a deceased person

- A. Accountant
- B. Lawyer
- C. Engineer
- D. Executor

The correct answer is option [D]

3. In contract account Work-In-Progress is debited?

- A. True
- B. False

The correct answer is option [A]

4. _____ is money held by the Employer/Client as a safeguard against defects which may subsequently develop and which the Contractor may fail to remedy

- A. Sustainance money
- B. Relief
- C. Deposit money

D. Retention money

The correct answer is option [D]

5. The following are entries in Contract account EXCEPT _____

- A. debit Contract account with all the expenses applicable to the particular contract
- B. debit Contract account with all the Revenue applicable to the particular contract
- C. debit Personal account of customers with contract price
- D. when the customers pays, Credit his personal account and Debit bank

The correct answer is option [B]

6. _____ relates to construction activities

- A. Departmental accounting
- B. Manufacturing accounting
- C. Consignment accounting
- D. Contract accounting

The correct answer is option [D]

7. Mortgage financing provides credit facility for _____

- A. purchase of business
- B. procurement of materials
- C. procurement of shares
- D. real estates

The correct answer is option [D]

Mortgage debt is used to buy real estate. The real estate secures, or backs, the mortgage loan as collateral.

8. When a contract is completed, the agreed contract price is transferred from the contract account to the _____ account of the customer.

- A. current
- B. personal
- C. savings
- D. company

The correct answer is option [B]

TOPIC: DEPARTMENTAL ACCOUNTS AND BRANCH ACCOUNTS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following statements is correct about the head office current account and the branch current account?

- A. Both always have debit balance
- B. Both always have credit balance
- C. The head office current account has a credit balance while the branch current account has a debit balance
- D. The head office current account has a debit balance while the branch current account has a credit balance
- E. All of the above

The correct answer is option [D]. Options [A] and [B] are wrong because they are contrary to the double entry principle of accounts. Option [C] is wrong because the entries are wrongly posted.

2. One of the following is the method of apportionment of expenses in departmental account EXCEPT _____

- A. Floor space basis
- B. Turnover basis
- C. Direct analysis basis
- D. Purchases basis

The correct answer is option[D].

3. Which of the following is not an objective of branch account?

- A. To prevent fraud
- B. To maximise cost and make comparison
- C. Verification of stock

D. To ascertain project

The correct answer is option[B].

4. Where the branches keep separate accounts, the accounting entries are;

- (i) Head office account in the branch books
- (ii) Branch account in the head office books
- (iii) Head office account in the head office books

- A. (i) and (ii) only
- B. (ii) and (iii) only
- C. (i) and (iii) only
- D. (i), (ii) and (iii)

The correct answer is option[A].

5. Cash stolen from Branch takings is recorded in the Head Office books by debiting

- A. defalcations account and crediting branch stock account.
- B. mark-up account and crediting branch stock account.
- C. defalcations account and crediting profit and loss account.
- D. cash account and crediting branch stock account.
- E. branch stock account and crediting defalcations account.

The correct answer is option [B].

6. The preparation of final account in both branch and departmental account are similar

- A. TRUE
- B. FALSE

The correct answer is option [A].

7. Departmental accounts are maintained to ascertain the _____

- A. profits of the entire organization.
- B. contribution of each department.
- C. expenses of each department.
- D. sales of each department.
- E. purchases of each department

The correct answer is option [B].

8. The aim of separating the several activities of a business in order to compare result and to assist the owner is known as _____

- A. Branch Accounting
- B. Sections Accounting
- C. Departmental Accounting
- D. Public Accounting

The correct answer is option[C].

9. Which of the following are advantages of departmental

- (i) The department making the highest profit can be easily determined.
- (ii) The capital of the business can be calculated easily.
- (iii) Easy knowledge of the sources of funding

- A. i only
- B. ii and iii only
- C. i and ii only
- D. iii only
- E. ii only

The correct answer is option [A].

10. The correct entry to reflect the receipt of cash sent by a branch to a head office is _____

- A. debit cash and credit branch current account.
- B. debit branch current account and credit cash.
- C. credit branch debtors and debit cash.
- D. credit branch current account and debit branch debtors.

The correct answer is option [B].

11. Where the price of a good is fixed by the head office and then charged to the other branches, it is known as _____

- A. Cost price
- B. Cost plus a percentage
- C. Cost price less percentage
- D. Selling price method

The correct answer is option [D].

12. What is the cost of goods for Footwear department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ 4,120
- B. ₦ 3,400
- C. ₦ 3,100
- D. ₦ 2,800

E. ₦ 3,000

The correct answer is option [E].

13. What is the net profit (or loss) contributed by Department B?

	A	B
	=N=	=N=
Opening Stock	5,000	1,500
Purchases	26,000	3,000
Closing Stock	7,000	2,500
Sales	45,000	4,000

The following expenses are to be shared in the ratio of 4:1

Rent	_____	=N= 8,300
General expenses	_____	=N= 3,200

A. ₦2,000

B. (₦ 1,500)

C. (₦ 300)

D. ₦300

The correct answer is option [C].

14. The accounting treatment when goods are sent to branch at cost is, debit Branch Stock Account and credit_____

A. Branch Stock Adjustment Account

B. Goods Sent to Branch Account

C. Branch Debtors Account

D. Branch Profit and Loss Account

The correct answer is option[B].

15. Department F transferred some goods to Department G at selling price. The goods were not sold at the end of the accounting period. What account is affected at the time of preparing a combined balance sheet?

- A. Creditors
- B. Debtors
- C. Stock
- D. Suspense

The correct answer is option [C].

16. Pick the odd item from the list below.

- A. Excel
- B. Peachtree
- C. DacEasy
- D. Corel draw

The correct answer is option [D]. The other options are accounting related softwares except option D.

17. Given that rates and rents is ₦20,000 allocate the expenses in proportion to the floor areas of Dept B where

Dept A = $\frac{1}{5}$

B = $\frac{2}{5}$

C = $\frac{2}{5}$

- A. ₦ 4,000
- B. ₦6,000
- C. ₦ 10,000
- D. ₦ 8,000

The correct answer is option[D].

18. If goods are invoiced to a branch office at cost and the invoice par value is ₦2000 with 5% discount rate, cash remitted to the head office is _____

- A. ₦ 2,100
- B. ₦2,000

C. ₦ 1,900

D. ₦ 100

The correct answer is option [C].

19. X and Y are two departments that are to share 50% of all joint costs equally and the balance in the ratio 2 : 1. If a sum of ₦150,000 is incurred jointly, what will be the portion attributed to X ?

A. ₦37,500

B. ₦62,500

C. ₦87,500

D. ₦100,000

E. None of the above

The correct answer is option [C], i.e. 50% of N75,000 (50% of

N 150,000) + 2/3 of 50% of N150,000 (which is the balance) = 37,500 + 49,999.10 = N87,500.

20. Branch account is determined by one of the following;

A. Location of the branches

B. The degree of control exercised by each office

C. The capital employed

D. Place of purchase

The correct answer is option [A].

21. What is the net profit of Stationery department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ (2,359)
- B. ₦ (6,000)
- C. ₦ 2,359
- D. ₦ 1,520
- E. ₦ 6,000

The correct answer is option [A].

22. Goods sent to any branch can be priced as follows EXCEPT

- (i) At cost plus mark up
 - (ii) At cost
 - (iii) At selling price
 - (iv) At sales
- A. (iv) only
 - B. (i) only
 - C. (ii) and (iii)
 - D. (iv) amd (i)

The correct answer is option[A].

23. Which of the following entries is effected by a department when goods are charged to it at selling price?

- A. Stock account is debited
- B. Purchases account is debited
- C. Stock account is credited
- D. Mark-up account is debited

The correct answer is option [B].

24. What is the cost of goods for Stationery department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦ 4,120
- B. ₦ 3,400
- C. ₦ 3,000
- D. ₦ 2,800
- E. ₦ 2,400

The correct answer is option [B].

25. Branch Accounting can be divided into _____

- A. 4
- B. 2

- C. 1
- D. 3

The correct answer is option[B].

26. Two methods of accounting entry for branch accounts are Double column and Branch adjustment method.

- A. TRUE
- B. FALSE

The correct answer is option [A].

27. A major benefit derived from the reconciliation of branch and head office books is _____

- A. to determine accurate returns by the branch.
- B. to ascertain the correct profit or loss on branch activities.
- C. to enable the branch to keep control over stock.
- D. to enable the branch to ascertain debtors balance.

The correct answer is option [A].

28. Halal Ltd. with three departments has a total of ₦7,200,000 as net debtors for the year ended 31\12\97. The company's policy provides for 15% bad debt annually. Which of the following represents the total balance of debtors before adjustment?

- A. ₦6,120,000
- B. ₦6,120,300
- C. ₦8,280,000
- D. ₦8,820,000
- E. ₦7,880,000

The correct answer is option [C].

29. Departmental accounting aims at classifying and analysing the several activities of a business

- A. TRUE
- B. FALSE

The correct answer is option [A].

30. When goods are transferred between departments, the double entry recording will be

- (i) Debit the department receiving the goods
- (ii) Credit the department receiving the goods
- (iii) Credit the department giving the goods
- (iv) Debit the department giving the goods

- A. (i) only
- B. (i) and (iv) only
- C. (ii) and (iv) only
- D. (i) and (iii) only

The correct answer is option[D].

31. The process whereby goods are transferred between department is called _____

- A. departmental transfer
- B. inter - branch transfer
- C. branch transfer
- D. inter - departmental transfer

The correct answer is option[D].

32. What is the net profit of Footwear department?

Opening Stock	- Footwears Dept	=N= 800
	- Stationery Dept.	=N= 600
Purchases	- Footwears Dept.	=N= 1,600
	- Stationery Dept.	=N= 2,800
Wages of Shoe Packers		=N= 600
Other Administrative expenses	- Salaries	=N= 1,200
	- Footwears	=N= 4,000
	- Stationery	=N= 6,000
Sales	- Footwears Dept.	=N=11,895
	- Stationery Dept.	=N=7,505
Additional Information	i) No closing stock	
	ii) Common expences are to be shared in the ratio of sales	

- A. ₦1,880
- B. ₦1,600
- C. ₦4,159
- D. ₦8,895
- E. ₦11,895

The correct answer is option [C].

33. Branch account is determined by one of the system of accounting.

- A. Location of the branches
- B. The degree of control excercised by each office
- C. The capital employed
- D. Plce of purchase

The correct answer is option[A].

34. The best method of allocating expenses among departments is to_____

- A. allocate expenses to each department in proportion to the sales of that department.

- B. charge against each department those costs which are within its control.
- C. charge expenses against each department in proportion to the purchases of that department.
- D. allocate expenses to each section of the department in relation to the number of people.

The correct answer is option [B].

35. Inter-departmental transfer of goods is not part of sales

- A. TRUE
- B. FALSE

The correct answer is option [A].

36. The following are opening balances in the ledger accounts of Dr Ray Limited;

- Plant and Equipment ₦40,000
- Trade receivables ₦9,000
- Inventories..... ₦5,000
- Bank balance (credit)..... ₦7,500
- Loan ₦10,000

What is the total asset value of the company?

- A. ₦45,000
- B. ₦54,000
- C. ₦64,000
- D. ₦75,000
- E. ₦61,500

Total assets value = plant and equipment (₦40,000) + inventories (₦5,000) + trade receivables (₦9,000) = ₦54,000

37. What was the company's gross profit for the year?

	A	B
	=N=	=N=
Opening Stock	5,000	1,500
Purchases	26,000	3,000
Closing Stock	7,000	2,500
Sales	45,000	4,000

The following expenses are to be shared in the ratio of 4:1

Rent	_____	=N= 8,300
General expenses	_____	=N= 3,200

- A. ₦ 11,500
- B. ₦12,500
- C. ₦ 20,000
- D. ₦ 23,000

The correct answer is option [D].

38. The head office usually issues goods to branches at _____

- A. prime cost
- B. production cost.
- C. net realizable value.
- D. cost price.

The correct answer is option [D].

39. When drawing up the balance sheet of a firm with different branches, the trial balance of the branch is sent to the head office

- A. TRUE
- B. FALSE

The correct answer is option [A].

40. Which of the following is the basis for apportioning rent amongs departments?

- A. Sales
- B. Floor area
- C. Number of employee
- D. Direct labour
- E. Number of days used

The correct answer is option [B]

41. Branch accounts does not take into consideration the enteries of transactions in the books of an organisation with different branches

- A. TRUE
- B. FALSE

The correct answer is option [B].

42. Where the price of a good is fixed by the head office and then charged to the other branches is known as _____

- A. Cost price
- B. Cost plus a percentage
- C. Cost price less percentage
- D. Selling price

The correct answer is option[D].

43. Where the branches keep seperate accounts, the accounting enteries are:

- (i) head office account in the branch books
- (ii) branch accounts in the head office books

(iii) head office account in the head office books.

- A. (i) and (ii)
- B. (ii) and (iii)

C. (i) and (iii)

D. (i), (ii) and (iii)

The correct answer is option [A].

44. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much rent is apportioned to department C?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

A. ₹ 2,000

B. ₹1,800

C. ₹1,200

D. ₹ 1000

E. ₹ 800

The correct answer is option [D]. Rent for department C =

$$100/300 * 3,000 = 1,000$$

Where 300 is the total floor space for the three departments.

45. Departmental Accounts does not analyse the revenue/income generated and expenses incurred, section by section

A. TRUE

B. FALSE

The correct answer is option [B].

46. Given the following:

Sales Dept.

A ₦ 50,000

B ₦ 40,000

C ₦ 60,000

Purchase Dept.

A ₦15,000

B ₦5,000

C ₦10,000

Opening Stock.

A ₦ 10,000

B ₦5,000

C ₦20,000

Calculate the gross profit for dept C

A. ₦ 15,000

B. ₦ 25,000

C. ₦ 20,000

D. ₦30,000

The correct answer is option[D].

47. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much of selling and distribution expenses is apportioned to Department A?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

A. ₦1,800

B. ₦800

C. ₦720

D. ₦ 600

E. ₦400

The correct answer is option [E]. Selling and distribution expenses is apportioned using sales or turnover. Hence, department A's share = $40,000/180,000 * 1800 = 400$

Where 180,000 is the total turnover for the three departments.

48. The advantages of departmental accounts are

(i) The gross profit of each department can be ascertained

(ii) The result of each managers can be known

(iii) The progress of each department can be monitored

A. (i) only

B. (ii) and (iii) only

C. (i) and (iii) only

D. All of the above

The correct answer is option[D].

49. Rent is apportioned to each department on the basis of _____

- A. area or space occupied
- B. equality
- C. turnover
- D. purchases

The correct answer is option[A].

50. To account for expenses paid by head office on behalf of the branch, the branch should _____.

- A. debit head office account and credit cash.
- B. debit profit and loss account and credit head office account.
- C. credit cash and debit profit and loss account.
- D. credit profit and loss account and debit head office account.

The correct answer is option [B].

51. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information.

How much of selling and distribution expenses is apportioned to Department B?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

A. ₦1,800

- B. ₹ 800
- C. ₹ 600
- D. ₹ 480
- E. ₹400

The correct answer is option [C]. Selling and distribution expenses is apportioned using sales or turnover. Hence, department B's share = $60,000/180,000 * 1800 = 600$

Where 180,000 is the total turnover for the three departments.

52. The difference between the closure of the books of a branch and those of a separate company is that _____

- A. there is retained earnings account on the branch book.
- B. the revenue and expense account is closed to branch current account.
- C. there is no retained earnings account on the branch books.
- D. the revenue and expense account is not closed to the home office current account.

The correct answer is option [A].

53. Mark-up on goods sent to branch offices are recorded in the books by crediting _____

- A. stock adjustment account and debiting branch stock account
- B. goods sent to branch account and debiting branch stock account
- C. branch stock account and debiting stock adjustment account
- D. cash account and debiting branch stock account
- E. branch stock account and crediting defalcations account

The correct answer is option [A].

54. The method that provides a reliable check upon cash and stock at the branch and discloses the gross profit in the account is _____

- A. cost plus percentage

- B. cost price
- C. average cost
- D. selling price

The correct answer is option[A].

55. Nagode (Nig.) Ltd. has three departments A, B and C. You are given the following information. How much rent is apportioned to Department A?

(i) Rent for the year =N= 3,000

(ii) Selling and distributing expenses =N= 1,800

(iii) Department	Turnover =N=	Floor space in square metre
A	40,000	120
B	60,000	80
C	80,000	100

- A. ₹ 2,000
- B. ₹1,800
- C. ₹ 1,200
- D. ₹ 1,000
- E. ₹ 800

The correct answer is option [C]. Rent is apportioned using floor space occupied by each department. Hence, rent for dept. A = $120/300 * 3,000 = 1,200$

Where 300 is the total floor space for the three departments.

TOPIC: INTRODUCTION TO DATA PROCESSING

DIRECTION: Choose the correct answer from the lettered options.

1. One megabyte is equal to _____

- A. 8 bytes.
- B. 1 million bytes.
- C. 10 million bytes.
- D. 1 billion bytes.

The correct answer is option [B].

2. In computing, ALU stands for _____

- A. Accounting Logical Unit
- B. Arithmetic and Logic Unit
- C. Access Logic Unit
- D. Additional Logic Unit

The correct answer is option [B].

3. Which of the following serves as input, storage, and output device of a computer?

- A. Diskette
- B. Keyboard
- C. Monitor
- D. Printer
- E. Mouse

The correct answer is option [A]

4. The elimination of faults in a computer program is called _____.

- A. console

- B. debugging
- C. dump
- D. loop

The correct answer is option [B].

5. Which of the following serves as an input, storage and output device of a computer?

- A. Diskette
- B. Keyboard
- C. Monitor
- D. Printer

The correct answer is option [A].

6. Which of the following is an example of an input device?

- A. Printer
- B. Keyboard
- C. Visual Display Unit
- D. Central Processing Unit

The correct answer is option [B]. Data may be entered into a computer system by many means. However, the keyboard remains the predominant computer input device.

7. Into how many major types can general-purpose computers be classified?

- A. Six
- B. Five
- C. Four
- D. Three

The correct answer is option [D].

8. Hardware in data processing refers to _____

- A. programs run on the computer
- B. entry and storage of information on computer
- C. microsoft disc operating system
- D. physical components of the computer

The correct answer is option[D].

9. In a not for profit making organization, the excess of income over expenditure is _____

- A. added to capital
- B. added to accumulated fund
- C. deducted from capital
- D. deducted from accumulated fund

The correct answer is option[B].

10. A medium of inputing data into the computer is through the use of the _____

- A. keyboard
- B. monitor
- C. software
- D. hardware

The correct answer is option[A].

11. The collection and organization of data is _____

- A. accounting process
- B. central processing
- C. data processing
- D. data manipulation

The correct answer is option[C].

12. Which of the following is a temporary storage device in an electronic computer?

- A. Bits
- B. RAM
- C. Data
- D. ROM

The correct answer is option [B]. RAM stands for random access memory.

TOPIC: PUBLIC SECTOR ACCOUNTING

DIRECTION: Choose the correct answer from the lettered options.

1. In a public corporation, the capital expenditure incurred in a financial period is _____

- A. spread over the useful life of the assets through depreciation.
- B. apportioned at a pre-determined rate stipulated by law.
- C. written off in the year in which they occur.
- D. merged with recurrent expenditure and reported in one lump sum.

The correct answer is option [C].

2. Materials are taken out of government unallocated store by means of _____

- A. verbal instruction by the governor
- B. stores issue voucher
- C. stores credit voucher
- D. stores ledger card
- E. departmental authorization order

The correct answer is option [D]

3. Which of the following is the basis of accounting in the civil service?

- A. Account
- B. Cash
- C. Income
- D. Expenditure
- E. Profit

The correct answer is option [B].

4. Which of the following is TRUE in public sector accounting? cost of assets is_____

- A. depreciated on straight line method.
- B. depreciated on reducing balance method.
- C. expensed in the year of purchase.
- D. charged to Federation Account.
- E. not recognized in any form.

The correct answer is option [C].

5. The authority of the Accountant-General to disburse from government fund is _____

- A. provision
- B. warrant
- C. vote
- D. estimate

The correct answer is option[B].

6. Which of the following is not an advantage of using cash basis?

- A. It is simple to operate and easy to understand
- B. It ignores depreciation
- C. It helps in the comparison of performance
- D. It is factual
- E. It helps in the evaluation of actual performance

The correct answer is option [B]

Cash-basis accounting is a method of bookkeeping that records financial events based on cash flows and cash position. Revenue is recognized when cash is received and expense is recognized when cash is paid. In cash-basis accounting, revenues and expenses are also called cash receipts and cash payments.

Cash-basis accounting does not recognize promises to pay or expectations to receive money or service in the future, such as payables, receivables, and prepaid or accrued expenses.

This is simpler for individuals and organizations that do not have significant amounts of these transactions, or when the time lag between the initiation of the transaction and the cash flow is very short.

Two types of cash-basis accounting exist: strict and modified. Strict cash-basis follows the cash flow exactly. Modified cash-basis includes some elements from accrual-basis accounting such as inventory and property capitalization.

7. The conventional sources of public revenue include _____

- A. loans, taxation, foreign reserves and dividends.
- B. interest, royalties, taxation and loans.
- C. crude oil, interest, posted price and taxation.
- D. deficit budgeting, royalties and taxation.

The correct answer is option [B].

8. The chief accounting officer of the federation is the _____.

- A. Minister of Finance
- B. Auditor General
- C. Accountant General
- D. Chief Accountant
- E. Governor of Central of Nigeria

The correct answer is option [C]

9. The expenditure on goods and services which are consumed either immediately or within a current accounting period is _____

- A. annual expenditure
- B. budgetary expenditure
- C. capital expenditure

- D. recurrent expenditure
- E. current expenditure

The correct answer is option [D]

10. Which of the following accounts is kept by local governments in Nigeria?

- A. Balance sheet
- B. Advance account
- C. Debtors account
- D. Profit and loss account

The correct answer is option [B].

11. A financial plan of action expressed in monetary terms is _____

- A. a warrant
- B. a budget
- C. an imprest
- D. a consolidated fund

The correct answer is option[B].

12. A financial plan of estimates of future expected income and expenditure is known as _____

- A. financial report
- B. budget
- C. financial standard
- D. cost accounting
- E. management accounting

The correct answer is option [B].

13. The document evidencing a disbursement of government fund is known as _____

- A. bill
- B. invoice
- C. till book
- D. payment voucher
- E. local purchase order

The correct answer is option [D]

14. Which of the following serves as the main Government fund used to service all operations of the government?

- A. General fund
- B. Consolidated revenue fund
- C. Consolidated reserve fund
- D. Special fund

The correct answer is option [B].

15. All are sources of local government revenue except _____.

- A. direct taxes
- B. statutory allocation
- C. non statutory allocation (grants, donations)
- D. property rates
- E. fines and penalties

The correct answer is option [A]

16. The total Capital expenditure of Eko Local Government Area is _____

Eko Local Government Expenditure

	=N=
Hospital buildings	200,000
Drugs	180,000
Hospital beds and mattresses	40,000
Doctors' and nurses' salary	120,000
Admin. expenses	50,000

- A. ₦420,000
- B. ₦380,000
- C. ₦240,000
- D. ₦200,000
- E. ₦180,000

The correct answer is option [C].

which are: Hopital buiding 200,000 and hopital bed and mattresses 40,000

17. Recurrent expenditure of government is paid from _____.

- A. reserve fund
- B. consolidated revenue fund
- C. development fund
- D. personal advance fund
- E. contingencies fund

The correct answer is option [B]

Recurrent expenditure are government expenditures that takes place everyday

18. As evidence of payment to a government ministry, the revenue collectors issue _____

- A. treasure card
- B. receipt voucher
- C. treasure receipt
- D. payment voucher
- E. stores receipt voucher

The correct answer is option [C]

19. The officer responsible for ascertaining whether all public expenditure and appropriation are in line with approved guidelines is the _____

- A. Accountant General.
- B. Auditor General.
- C. Finance Minister.
- D. Permanent Secretary.

The correct answer is option [B].

20. _____ is the name given to a budget in public sector accounting?

- A. Actual amount to spent
- B. Amount needed
- C. Estimate
- D. Government fund
- E. propose sum

The correct answer is option [C]

21. The financial plan of the government for a year is contained in the _____.

- A. analysis Book
- B. gazette

- C. budget
- D. vote
- E. draft

The correct answer is option [C]

22. An evidence of payment to a government treasury, revenue collectors issue _____

- A. treasury card
- B. receipt voucher card
- C. treasury receipt
- D. payment voucher

The correct answer is option[C].

23. The authority of the Accountant - General to disburse from government fund is called _____

- A. voucher.
- B. warrant.
- C. estimate.
- D. provision.
- E. vote.

The correct answer is option [B].

24. The public sector (government) commonly use the cash basis while the private sector uses _____.

- A. cash basis
- B. accrual basis
- C. modified accrual basis
- D. commitment basis
- E. modified cash basis

The correct answer is option [B]

25. The financial year of a company is known as its _____

- A. accounting bases
- B. accounting period
- C. accounting year
- D. accounting method

The correct answer is option [B].

26. The financial plan of the government for a year is contained in the _____.

- A. vote book
- B. cash analysis book
- C. budget
- D. general
- E. gazette

The correct answer is option [C]

27. Which of the following is used before the appropriation bill is approved?

- A. Supplementary general warrant
- B. Provisional general warrant
- C. Reserved expenditure warrant
- D. Virement warrant
- E. Supplementary statutory expenditure warrant

The correct answer is option [B]

28. The channel through which all government borrowing and domestic lending transactions follows is called _____.

- A. special trust fund

- B. agency fund
- C. national loan fund
- D. contingency fund

The correct answer is option [A].

29. The body constitutionally charged with the responsibility of examining the audited accounts of the Federation and other reports as referred by the National Assembly is the _____.

- A. Public Accounts Committee.
- B. Public Audit Committee.
- C. Internal Audit Committee.
- D. External Audit Committee.

The correct answer is option [A].

30. Which of the following is the basis of accounting in the civil service?

- A. Accrual
- B. Cash
- C. Income
- D. Expenditure
- E. Profit

The correct answer is option [B]

31. Recurrent expenditure of government is paid from _____

- A. reserve fund.
- B. consolidated revenue fund.
- C. development fund.
- D. contingencies fund.
- E. personal advance fund.

The correct answer is option [B].

32. The amount of individual items on government budget is called _____

- A. a vote.
- B. a deposit.
- C. investment.
- D. a loan.
- E. a grant.

The correct answer is option [A].

33. The document evidencing a disbursement of government fund is known as _____

- A. bill.
- B. invoice.
- C. till book.
- D. payment voucher.
- E. local purchase order.

The correct answer is option [D].

34. The receipts from a special tax levy to pay maturing interest obligations are recorded in _____

- A. capital project fund
- B. debt service fund
- C. tax assessment fund
- D. special revenue fund

The correct answer is option [C].

35. If a monthly insurance premium is remitted to a company by the state government, the initial deduction from employees are recorded in _____

- A. the general fund.
- B. the agency fund.
- C. the special fund.
- D. the general long-term fund.

The correct answer is option [B].

36. While pension is paid periodically (monthly) gratuity, is paid _____

- A. bi-monthly
- B. quarterly
- C. semi-annually
- D. annually
- E. once

The correct answer is option [E]

37. As evidence of payment to a government ministry, the revenue collectors issue _____.

- A. treasury card
- B. receipt voucher card
- C. treasury receipt
- D. payment voucher
- E. stores receipt voucher

The correct answer is option [C]

38. The cash basis of accounting requires the recognition of revenue only when they are _____.

- A. Due
- B. Wished
- C. Paid

D. Received

The correct answer is option [D].

39. Which of these best defines pension?

A. A lump sum of money payable to an employee upon his/her retirement from service

B. A statutory periodic payment made in favour of an employee upon his/her retirement from active service

C. A compulsory payment made to a civil servant who has retired from service

D. A statutory lump sum of money paid once to an employee who retires from active service

E. A lump sum of money given to a retired military officer

The correct answer is option [B]

40. A financial plan of action expressed in monetary term is known as _____

A. Imp rest

B. Consolidated fund

C. Warrant

D. Budget

E. Development fund

The correct answer is option [D]

41. Which of the following serves as a main government fund used to service all operations of the government?

A. General fund

B. Consolidated revenue fund

C. Consolidated reserve fund

D. Consolidated capital fund

E. Special fund

The correct answer is option [B]

42. is based on _____

- A. cash.
- B. accrual.
- C. budgets.
- D. consolidated fund.
- E. shares.

The correct answer is option [A].

43. The document prepared for the disbursement of government fund is _____

- A. an invoice
- B. a receipt
- C. a payment voucher
- D. a bill

The correct answer is option [C].

44. Which of the following does not relate to government accounting system?

- A. Vote
- B. Trial balance
- C. Consolidated fund
- D. Profit and Loss account

The correct answer is option [D]. This is because it relates to the business of a private owner(s).

45. Recurrent expenditure is _____.

Eko Local Government Expenditure

	=N=
Hospital buildings	200,000
Drugs	180,000
Hospital beds and mattresses	40,000
Doctors' and nurses' salary	120,000
Admin. expenses	50,000

- A. ₦390,000
- B. ₦360,000
- C. ₦350,000
- D. ₦170,000
- E. ₦150,000

The correct answer is option [C].

which is made up of Drugs 180,000, doctors and nurses salaries 120,000 and admin expenses 50000

46. The amount of individual items on a government budget is called _____.

- A. a vote
- B. a deposit
- C. an investment
- D. a loan
- E. a grant

The correct answer is option [A]

47. Which of the following is not a source of revenue for local government?

- A. Mining royalties
- B. Radio and T.V. licences
- C. Teement/property rates
- D. Business permit fee

The correct answer is option[A].

48. Recurrent expenditure of government is paid from _____

- A. contingencies fund.
- B. reserve fund.
- C. development fund.
- D. consolidated fund.

The correct answer is option [D]. Ltd

49. The financial plan of the government for a year is contained in the _____

- A. vote book.
- B. cash analysis book.
- C. budget.
- D. general order.
- E. gazette.

The correct answer is option [C].

50. Which of the following is not true of capital expenditure?

- I. Assets acquired for the purpose of earning income .
- II. Extension of office building .
- III. It is incurred and its full benefits consumed in one period of account.

- A. i only
- B. ii only
- C. i and ii only
- D. ii and iii only
- E. iii only

The correct answer is option [E].