

En ToTo CSEC POA Study Program 2021

Lecturer: Mr. Aaron Napier

1. Gross Profit is calculated in the:
 - (a) Statement of Financial Position
 - (b) Profit & Loss account
 - (c) Trial balance
 - (d) Trading account
2. Net Profit is:
 - (a) Gross profit add expenses of the period
 - (b) Sales less purchases add opening Inventory less closing inventory
 - (c) Gross profit less expenses of the period.
 - (d) Capital plus all expenses
3. The debit entry for net loss is on the debit side of:
 - (a) The trading account
 - (b) The statement of financial position
 - (c) The profit and loss account
 - (d) The capital account
4. To calculate the value of closing inventory at the end of the period:
 - (a) Conduct an inventory check
 - (b) Look at the balance in the inventory account
 - (c) Deduct opening inventory from purchases
 - (d) Deduct purchases and opening inventory from sales
5. What is the correct order for current assets in the statement of financial position?
 - (a) Inventory, bank, cash, accounts receivable
 - (b) Account receivable, inventory, bank, cash
 - (c) Cash, bank, accounts receivable, inventory
 - (d) Inventory, accounts receivable, bank, cash
6. In the trading account the returns inwards should be:
 - (a) Deducted from sales
 - (b) Added to cost of goods sold
 - (c) Added to sales
 - (d) Deducted from purchases
7. Which of the following are not part of the double entry system?
 - (i) Trial balance (a) (i) and (ii)
 - (ii) Statement of financial position (b) (i) and (iii)
 - (iii) Trading account (c) (ii) and (iii)
 - (iv) Profit and loss account (d) (ii) and (iv)
8. Customers' personal accounts are found in the:
 - (a) General ledger
 - (b) Purchases ledger
 - (c) Sales ledger
 - (d) Private ledger
9. Which of the following are not personal accounts?
 - (i) Drawings (a) (iii) only
 - (ii) Rent (b) (i) and (ii)
 - (iii) Accounts payable (c) (i) and (iv)
 - (iv) Accounts receivable (d) (ii) and (iii)
10. The statement of financial position equation indicates that the assets of the business were provided by:
 - (i) Accounts payable (a) (i) and (ii)
 - (ii) Customers paying cash (b) (ii) and (iii)
 - (iii) The owner (c) (i) and (iii)
 - (iv) Accounts receivable (d) (iii) and (iv)
11. The total of the sales day book (journal) is entered on:
 - (a) The debit side of the profit and loss account
 - (b) The debit side of the sales day book
 - (c) The debit side of the sales account in the general ledger
 - (d) The credit side of the sales account in the general ledger.
12. A deficit balance in the trading account indicates a:
 - (a) Net profit
 - (b) Net loss
 - (c) Gross profit
 - (d) Gross loss
13. Financial Statements are prepared:
 - (a) Based on all listed below
 - (b) To provide information to enable investment and credit decision-making
 - (c) To identify business resources, who owns them and owner equity
 - (d) To provide information to assess the sources of future cash flow.
14. If opening inventory is \$600 and closing inventory is \$880, what is the value of average inventory?
 - (a) \$280 (b) \$740 (c) \$1,480 (d) \$1,040
15. If average inventory is \$4,500 and opening inventory is \$2,000, what is the value of closing inventory?
 - (a) \$7,000 (b) \$2,500
 - (c) \$9,000 (d) \$6,500