En ToTo CSEC POA Study Program 2021
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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
   (ii) Statement of financial position
   (iii) Trading account
   (iv) Profit and loss account

   (a) (i) and (ii)
   (b) (i) and (iii)
   (c) (ii) and (iii)
   (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
   (ii) Rent
   (iii) Accounts payable
   (iv) Accounts receivable

   (a) (iii) only
   (b) (i) and (ii)
   (c) (i) and (iv)
   (d) (ii) and (iii)

10. The statement of financial position equation indicates that the assets of the business were provided by:
    (i) Accounts payable
    (ii) Customers paying cash
    (iii) The owner
    (iv) Accounts receivable

    (a) (i) and (ii)
    (b) (ii) and (iii)
    (c) (i) and (iii)
    (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

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