Joint Admission and Matriculation Board

JAMB

ACCOUNTS

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2010 JAMB ACCOUNTS QUESTIONS

PAPER TYPE: C

1. Which Principles of Account Question Paper Type is given to you?

A. Type A
B Type B
C. Type C
D. Type D

2. The major function of accounting bodies in Nigeria is to _____.

A. provide proper financial management of businesses
B. provide good remuneration to the members
C. promote the ethics of the profession
D. show the dynamic nature of the profession.

3. Ledger account is mainly classified into ____.

A. nominal, real and personal accounts
B. fixed and current accounts
C. management, financial and public sector accounting
D. bank and cash accounts.

4. If salary account is debited instead of stationery account. the error committed is that of __.

A. commission
B. omission
C. principle
D. compensation.

5. If stationery bought for ₦200 has been entered as ₦2000. To correct this error

A. debit stationery with ₦2,200
B. credit stationery with ₦1800
C. debit stationery with ₦1800
D. credit stationery with ₦2200.

6. The account which refers to the tangible assets of a company that is of permanent nature is the __.

A. personal account

B. real account

C. nominal account

D. cash account.

7. The major feature of an invoice is that, it ____.

A. passes information through the sales day book

B. has cash and bank column

C. specifies the particulars of goods bought

D. indicates only the cash sales.

8. The source documents include____.

A. cash book

B. petty cash book

C. general ledger

D. credit notes.

Use the information below to answer questions 9 and 10.

Three Column Cash Book (Extract)

Date	Particulars	Cash	Bank
		₦	₦
1	Bal b/d	3000	4000
2	Cash Sales	1000	
3	Fatima	2000	
4	Baffa	200	300
5	Electricity	200	300
6	Purchases	3000	
7	Ahmad		500
8	Khadija	200	

9. If Fatima was granted a discount of 2%, what will be the discount allowed?

A. ₦ 20

B. ₦ 40

C. ₦60

D. ₦4

10. Calculate the cash balance after the discount.

A. ₦2 760

B. ₦ 4 300

C. ₦ 6 200

D. ₦2 400.

11. A major cause of discrepancy between bank statement and the cash book that overstates the

bank statement balance is the ___.

A. commission paid
B. interest received
C. direct payment
D. direct withdrawal.

12. The bank charges levied on a current account holder is the charges on ___.

A. transaction
B. turnover
C. transfer
D. cash received.

13. The cause of discrepancies between the bank statement and the cash book that overstates the cash book is the__.

A. dividend received
B. uncredited expenses
C. uncredited cheques
D. interest on lodgement.

Use the information below to answer questions 14 and 15.

	₦
Sales	**10,900**
Stock 1/1	**1,000**
Stock 31/12	**2,000**
Purchases	**4,000**
Returns outwards	**800**
Returns inwards	**600**
Carriage outwards	**300**
Carriage inwards	**200**

14. Find the gross profit.

A.₦ 7 800
B. ₦7 900
C. ₦ 9 700
D. ₦ 5 700

15. The cost of goods available for sale is __.

A. ₦ 4 600
B. ₦ 5 000
C. ₦ 6 400
D. ₦ 4 400.

Use the information below to answer questions 16 and 17.

Sundry debtor	**₦20,000**

Provision for bad debts ₦500

Provision for bad debt at 4% of sundry debtors.

16. Determine the provision for bad debts to profit and loss account.

A. ₦ 500
B. ₦ 820
C. ₦1 300
D. ₦ 300

17. Calculate the provision to be taken to the balance sheet.

A. ₦ 780
B. ₦ 44, 800
C. ₦ 1200
D. ₦ 200

18. Benefits enjoyed for which payments have not been made are __.

A. accruals
B. prepayments
C. acquisitions
D. provisions.

19. If an organization maintains a periodic stock system, the stock quantities are __.

A. updated at the end of the accounting year
B. not considered in the updating process
C. updated continuously
D. updated at the beginning of the accounting year.

20. If a company values its stocks in the period of rising prices using LIFO method, there is a tendency for it to

A. have a higher cost of goods sold
B. have a higher gross profit
C. pay higher income tax
D. have a higher value for closing stock.

Use the information below to answer questions 21 and 22.

Sales Ledger Control Account	
₦	₦

Balance b/d	87 000	Discount Allowed	40 000
Credit sales	?	Bills receivable	50 000
Bills receivable Dishonoured	58 000	Cash receivable	280 000
Dishonoured Cheques	50 000	Returns inward	30 000
		Balance b/d	?

Credit sales is given at 160% of cash received

21. What is the balance c/d?

A. ₦333 000
B. ₦234 000
C. ₦343 000
D. ₦243 000

22. Calculate the value of credit sales.

A. ₦558 000
B. ₦484 000
C. ₦448 000
D. ₦584 000

Use the information below to answer questions 23 and 24.

	31/12/07 ₦	31/12/08 ₦
Stocks	**4,200**	**3,900**
Rates in advance	**1,000**	**1,500**
Accrued wages	**1,150**	**1,350**

Cost of goods sold was valued at ₦6 000.

Cash paid for rates and wages during the year was ₦1300 and ₦2200 respectively.

23. What is the value of purchases for the year 2008?

A. ₦6 000
B. ₦9 900
C. ₦14 100
D. ₦5 700

24. Determine the total expenses to be charged to profit and loss account.

A. ₦2 350
B. ₦1 600
C. ₦800
D. ₦3 150

Use the information below to answer questions 25 and 26.

	31/12/08 ₦	31/12/09 ₦

www.toppers.com.ng

Furniture and fittings	**21 000**	**28 000**
Office equipment	**9 800**	**13 200**
Debtors	**6 800**	**5 200**
Creditors	**4 900**	**5 100**
Cash at bank	**7 000**	**4 600**
Accrued electricity bills		**1 200**

Monthly drawings averaged ₦330.

25. Find the opening capital.

A. ₦39 700
B. ₦35 900
C. ₦35 740
D. ₦43 660

26. Determine the net profit.

A. ₦15 000
B. ₦3 960
C. ₦1 040
D. ₦8 960

27. The gross loss on manufacturing is always transferred to the ___.
A. credit side of balance sheet
B. debit side of profit and loss account
C. credit side of profit and loss account
D. debit side of balance sheet.

28. The depreciation on a motor vehicle that is being used for manufacturing and administration is charged to the

A. debit side of manufacturing and profit and loss account
B. debit side of profit and loss account only.
C. credit side of profit and loss account only
D. debit side of manufacturing and balance sheet.

29. The prime cost is the total of the ___

A. production cost + selling expenses.
B. direct material + direct labour + direct expenses
C. direct materials + work overhead expenses.
D. administrative expenses + selling + distribution expenses.

30. In the not-for-profit-making organization, the excess of income over expenditure is __.

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

31. The equivalent of a club's receipts and payment account is the___.

A. trading account
B. revenue account
C. cash account
D. suspense account.

32. The summary of receipt and payments account represents __.

A. cash at hand
B. journal proper
C. general journal
D. ledger accounts

Use the information below to answer questions 33 and 34.

Abingo Limited has three departments K, L and M.

(i) Rent for the year ₦3000
(ii) Selling and distribution expenses ₦1800

Department	Turnover	Floor space in square meters
	₦	₦
K	40 000	120
L	60 000	80
M	89 000	100

33. How much rent is apportioned to department K?

A. 4 1 200
B. ₦1 800
C. ₦2 000
D. ₦750

34. How much selling and distribution expenses is apportioned to department M?

A. ₦ 800
B. ₦ 600
C. ₦ 400
D. ₦ 1 800

35. The Akachala Limited has four departments W, X, Y and Z. The profits or loss of the departments were ₦20 000 loss, X ₦25 000 profit, V ₦30 000 loss and Z 1 800 profit. How much is the net profit or loss of the company?

A. ₦7 000 loss
B. ₦5 000 loss
C. ₦ 5 000 profit
D. ₦7 000 profit

36. If goods were returned to branch by the customers. The correct posting for this transaction is to debit

A. branch debtor's account and credit head office account
B. head office account and credit branch stock account
C. branch stock account and credit branch debtors' account
D. branch cash account and credit branch stock account.

37. The branch expenses paid by the head office is recorded in the books by debiting branch __.

A. bad debt account and crediting branch debtors' account
B. expenses account and crediting bank account
C. profit and loss account and crediting branch stock account
D. discount allowed account and crediting branch debtors' account.

38. Goods returned to branch by branch customers is recorded in the head office books by debiting ____.

A. bank account and crediting branch stock account
B. goods sent to branch account and crediting branch
debtors' account
C. branch stock account and crediting branch debtors' account
D. branch debtors' account and crediting cash account.

39. Which of the following is mostly used in treating partners' current earnings?

A. Savings account
B. Current account
C. Capital account
D. Share capital account

40. The salary of a partner is usually debited to the __.

A. sundry debtors' account
B. appropriation account
C. profit and loss account
D. sundry current account.

41. The rules which govern the internal management of a firm and its financial affairs in a partnership business is a

A. memorandum
B. bye-law
C. deed
D. financial regulation.

42. The interest on partners' loan is __.

A. debited in current account
B. credited in profit and loss account
C. debited in profit and loss account
D. credited in current account.

43. The capital contributed by the partners is treated in the

A. current account
B. capital account
C. trading account
D. balance sheet

44. Given:

6 000 000 10% preference shares of ₦ 0.50 each
6 000 000 ordinary shares of ₦1 each
Capital reserves ₦2 700 000
Long-term liabilities ₦4 000 000

Find the value of authorized share capital.

A 13 000 000
B. 12 000 000
C. 9 000 000
D.15 700 000

45. The Directors' salaries paid are items of ___.

A. current liabilities
B. profit and loss account
C. trading account
D. current assets.

46. **Sundry debtors in the balance sheet of Onoja Bakery and Sons totalled ₦800 000. A provision of 2% was made for discount and 5% provision for bad and doubtful debts.**

Find the amount for sundry debtors after provision.

A. ₦760 000
B. ₦744 800
C. ₦744 000
D. ₦784 000

47. An ordinary share of ₦80 was issued at ₦96. The share was issued at

A. premium
B. par
C. discount
D. loss.

48. The financial plan of the government for a year is contained in the __.

A. budget
B. cash analysis book
C. vote book
D. gazette.

49. An increase in government expenditure within a year is taken care of by means of ___

A. financial regulations
B. virement
C. warrant
D. supplementary estimate.

50. As evidence of payments to a government ministry, the revenue collectors will issue

A. treasury receipt
B. receipts voucher card
C. treasury card
D. stores receipt voucher.

ANSWER KEYS:

1. C **2.** C **3.** A **4.** A **5.** B **6.** B **7.** C
8. B **9.** B **10.** A **11.** C **12.** B **13.** C
14. B **15.** D **16.** D **17.** B **18.** A
19. A **20.** B **21.** D **22.** C **23.** D
24. NO OPTION **25.** A

26. D **27.** B **28.** B **29.** B **30.** B
31. C **32.** A **33.** A **34.** A **35.** A
36. C **37.** B **38.** B **39.** B **40.** B
41. C **42.** C **43.** B **44.** C **45.** B
46. C **47.** A **48.** A **49.** D **50.** A

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2011 JAMB ACCOUNTS QUESTIONS

Paper Type: D

1. Which Questions Paper Type of Principles of Accounts is given to you?

A. Type A.
B. Type B.
C. Type C.
D. Type D.

2. The historical development of accounting reveals that it ____.

A. deals with debit and credit terms
B. is a product of financial development
C. is a product of its own environment
D. is an ideal subject for financial development

3. In a trial balance, income and liabilities are__

A. debited and credited respectively
B. Credited
C. Credited and debited respectively
D. Debited

4. The principle of double entry ensures__.

A. mathematical accuracy in trial balance
B. Balance at the bank
C. increases in the assets and liabilities
D. balance of cash account.

5. I. Deduct the smaller side figure from the bigger side figure II. Add up both sides III. Take the difference to the smaller side and add to the smaller figure
The correct procedure for balancing account is __.

A. II, I and III
B. I, III and II
C. II, III and I
D. I, II and III

6. Given:

	₦
Light expenses	400
Purchases	3000
Sales	1200
Debtors	50

Calculate the total of the trial balance.

A. ₦4,250
B. ₦3,500
C. ₦4,300
D. ₦3,450

7. The major feature of a journal is that it has__.

A. six columns, date, particulars, folio, amount, debit and credit
B. five columns, date, particulars, folio, debit and credit
C. three columns, date, particulars, folio and amount
D. four columns, date, particulars, folio and amount

8. The medium of correcting errors whose difference are shown in the trial balance is by the use of __.

A. debtors' account
B. creditors' account
C. suspense account
D. ledger account

Use the information below to answer questions 9 and 10.

Adamu Stores bought accessories from Mu'azu Beverages for ₦400 on credit. A trade discount of 10% and a cash discount of 15% were provided.

9. Find the total amount paid.

A. ₦260
B. ₦300
C. ₦200
D. ₦380

10. Calculate the cash discount.

A. ₦60
B. ₦90
C. ₦40

D. ₦100

11. In bank reconciliation process, discrepancies caused by timing arises as a result of __.

A. cash book and bank statement
B. bank statement only
C. cash book, bank statement and other incidental records
D. cash book only

12. The process of reconciling cheques between banks is termed cheque__.

A. clearing
B. truncation
C. holding
D. confirmation

13. In a bank reconciliation statement, interest charged for overdrawn balances should be added to the ___.

A. balance as per bank statement
B. bank balance as per adjusted cashbook
C. aggregate balance as per cashbook
D. bank balance as per cashbook

Use the information below to answer questions 14 and 15.

I. Stock of goods
II. Furniture
III. Creditors
IV. Cash at bank
V. Loan from the bank

14. Determine the current liabilities

A. **III and V**
B. **Il** and **III**
C. **IV** and **V**
D. **l** and **II**

15. Find the current assets.

A. **Ill** and **V**
B. **II** and **I**
C. **IV** and **V**
D. **I** and **IV**

16. The type of expense charged against administration of a firm is the __.

A. repairs on building
B. interest paid on loan
C. discount allowed
D. tax expense.

17. In a period of declining price, which of the following methods would result in higher profit?

A. FIFO.
B. Simple average.
C. LIFO.
D. Weighted average.

18. The item on the credit side of the trading account is the __.

A. returns outwards
B. carriage on sales
C. sales
D. purchases.

Use the diagram below to answer questions 19 and 20.

June 30	**Closing stock 100 units at ₦ 90**
July 8	**Purchased 200 units at ₦95**
10	**Sold 160 units**
17	Returned 80 faulty units purchased at **₦95**
18	**Purchased 200 units at ₦105**
20	**Sold 180 units**
28	**Purchased 200 units at ₦110**
29	**Sold 120 units 30 Sold 100 units**

19. How many units were at hand as at July 30?

A. 80
B. 100
C. 60
D. 160

20. What is the value of stock as at the end of July 10 using FIFO?

A.₦14 400
B. ₦13 300
C. ₦15 200
D. ₦4 12 600

21. A typical example of a real account is ___.

A. prepayment

B. expenses

C. plant

D. income.

22. The control account can be used in ____.

A. recording all business transactions of the enterprise

B. keeping records of all direct deposits in the bank account

C. monitoring the books of original entry

D. monitoring the efficiency of bookkeeping by accountants.

USE THE DIAGRAM BELOW TO ANSWER QUESTIONS 23 AND 24.

Incomplete Record (Extract)

	₦	₦
Sales		10 600
Rent	200	

Depreciation of vehicle (cost ₦5000) 10%

Gross profit margin is 20%

23. What is the cost of goods sold?

A. ₦4 800

B. ₦8 480

C. ₦2 320

D. ₦9 900

24. Calculate the net profit.

A. ₦1 620

B. ₦1920

C. ₦1 420

D. ₦ 2 120

Use the information below to answer questions 25 and 26

Trading account for the year ended 31st December 2009

	₦
Opening stock	32,000
Purchases 40000	40,000
Carriage	1,000
Inwards	41,000
Less returns	2,000
Cost of goods available for sale	???
Less closing stock	9,000
Cost of goods sold	???
Sales	48,000
Returns	2,000

25. Find the average stock for the period.

A. ₦27 000
B. ₦23 000
C. ₦ 28 000
D. ₦ 20 500

26. Calculate the cost of goods sold.

A. ₦61 000
B. ₦58 000
C. ₦ 62 000
D. ₦57 000

27. The costs that are directly traceable to the goods being produced is

A. partly manufactured goods
B. overhead cost
C. total factory expenses
D. prime cost.

28. The production cost that does not form part of the product but is incidental to production and facilitates the production activities is the

A. prime cost
B. indirect cost
C. total cost
D. direct cost.

29. Work-in-progress is the ___.

A. value of partly finished goods
B. value of finished goods on hand
C. sales less cost of goods sold
D. value of goods produced.

30. The major feature of not-for-profit-making organization is that they are formed __?

A. to use accumulated fund to describe the net amount owed to members
B. mainly to improve the welfare of her members
C. to engage in trading activities to sponsor its activities
D. in order to compute the receipts and payments account.

31. The subscription paid in advance is treated in the balance sheet of a club as __?

A. a surplus
B. a liability
C. a deficit
D. an asset.

32. The capital of not-for-profit-making organization is referred to as __.

A. entity fund
B. capital owned
C. accumulated fund
D. capital employed.

33. The major objective of departmental accounts is to ascertain the __.

A. contribution of each department to profit
B. materials sold in each department
C. insurance premium payable on employees
D. number of employees in each department.

34. The transactions relating to liquidation in partnership account is drawn by using __.

A. current account
B. cash account
C. capital account
D. realization account.

35. The cost method of charging goods to branch is used where__.

A. branch stock adjustment account is in use
B. the retention of branch trading account is in addition to the cost of goods sold
C. goods are sent without invoice or any documents
D. goods are of a perishable nature on which a pre-determined price is inapplicable.

36. The correct entries to record goods transferred to branch from head office is to debit__.

A. branch stock account and credit goods sent to branch account

B. branch supplies account and credit branch stock account

C. branch stock account and credit purchases account

D. D. goods sent to branch account and credit branch stock account.

37. The two accounts that are normally opened in the head office when goods are transferred to a branch are _____.

A. branch supplies and branch receipts

B. branch stock account and goods sent to branch accounts

C. goods sent to branch account and branch receipt account

D. goods sent to branch account and branch supplies.

38. Goods invoiced to a branch can be sent using __.

A. cost price, selling price and fixed percentage on selling price

B. cost price, selling price and fixed percentage on cost price

C. cost price and fixed percentage on cost price

D. cost price and fixed percentage on selling price.

39. The major point of agreement carried by the partnership deed is__.

A. 5% interest per annum on any loan

B. an oral agreement among the partners

C. method of inheritance by the partners' children

D. the profit and loss sharing ratio of the partners.

Use the information below to answer questions 40 and 41.

Keme and Kemi are in partnership sharing profit and losses in the ratio 3:2

Capital	-	Keme	₦20,000
	-	Kemi	₦10,000
Drawings	-	Keme	₦ 2,000
	-	Kemi	₦ 3,000
Profit			₦ 6,000

Interest on capital **5%**
Interest on drawings **10%**

40. The interest on Kemi's capital is

A. ₦1 000
B. ₦2 000
C. ₦4 500
D. ₦3 000.

41. The interest on Keme's drawings is calculated as

A. ₦200
B. ₦150
C. ₦ 300
D. ₦ 100

42. Which of the following can be used on admission of a new partnership?

A. Revaluation account.
B. Profit and loss account.
C. Capital account.
D. Trading account.

43. Goodwill is determined using ___.

A. capital contribution of old partners.
B. number of partners admitted.
C. the business and customer relations
D. number of active partners.

44. The founders of a company are ___.

A. promoters
B. shareholders
C. canvassers
D. stakeholders.

45. The fund in which all government receipts are paid is ___.

A. consolidated revenue fund
B. development fund

C. trust fund

D. contingency fund.

46. Which of the following accounts for the highest revenue to Nigeria?

A. Import duties.

B. Personal income tax.

C. Petroleum resources.

D. Company tax.

47. If Aboki Holdings Limited issued 120,000 ordinary share of ₦2.00 each at market value of 5.50k each, the share premium would

A. ₦500,000

B. ₦450,000

C. ₦550,000

D. ₦420,000

48. Which of the following is a signatory to federal government account?

A. Auditor-General.

B. Governor of Central Bank.

C. Accountant-General.

D. President.

49. The chief accounting officer of a local government is the ___.

A. Chairman

B. Treasurer

C. Director of personnel

D. Auditor.

50. Which of the following signs general warrant for the release of money from the consolidated revenue fund?

A. Minister of Finance.

B. Chairman, Economic Advisory Committee

C. Permanent secretary.

D. Minister of Economic Planning

ANSWER KEYS:

1. D **2.** A **3.** B **4.** A **5.** A **6.** D **7.** B **8.** C **9.** – **10.** -- **11.** A **12.** A **13.** A **14.** A **15.** D **16.** A **17.** A **18.** C **19.** C **20.** B **21.** C **22.** D **23.** B **24.** C **25.** D **26.** C **27.** D **28.** B

29. A **30.** B **31.** B **32.** C **33.** A

34. C **35.** A **36.** A **37.** B **38.** B

39. D **40.** C **41.** A **42.** A **43.** B

44. A **45.** A **46.** C **47.** D **48.** C

49. A **50.** A

2012 JAMB ACCOUNTS QUESTIONS

PAPER TYPE: YELLOW

1. Which Question Paper Type of Principles of Accounts as indicated above is given to you?

A. Type Green.
B. Type Purple.
C. Type Red.
D. Type Yellow

2. The basis upon which assets of an organization is valued is the ___.

A. historical concept
B. business entity concept
C. periodicity concept
D. materiality concept.

3. An accountant must not only be interested in record keeping but also in ____.

A. the application of professional competency
B. the accuracy of postings
C. the casting of financial figures
D. effective preparation of balance sheet.

4. The correct posting in the double entry system of account when there is an increase in assets, expenses, capital or liabilities is to debit

A. capital and credit liabilities
B. liabilities and credit assets
C. assets and credit capital
D. capital and credit assets.

5. The capital of a sole trader can be increased by ___.

A. debiting the capital account
B. crediting the capital account
C. debiting the cash account
D. crediting the cash account.

6. Akirika bought a motor van for his business by cash. The entries are to debit

A. motor van and credit Akirika
B. sales and credit Akirika

C. motor van and credit cash
D. cash and credit motor van.

Use the information below to answer questions 7 and 8.

Ibrahim, a micro-business operator, sold 10 bags of sugar to Jide at total cost of ₦12,000.

7. In the book of Ibrahim, the entry to record the transaction would be to debit

A. sugar account N12,000 and credit Jide ₦12,000
B. Jide ₦12,000 and credit sales account ₦12,000
C. Ibrahim 412,000 and credit Jide ₦12,000
D. sugar account N 12,000 and credit Ibrahim ₦ 12,000.

8. The record in Jide's book would be to debit

A. purchases N12,000 and credit Ibrahim ₦12,000
B. purchases ₦ 12,000 and credit sugar account 412,000
C. Jide ₦12,000 and credit purchases ₦12,000
D. Ibrahim 412,000 and sugar account ₦12,000.

9. Given:

Cash Book

	₦		₦
Capital	2,600	Purchases	15,000
Sales	28,200	Rent	1,250
		Motor vehicle	7,600

Determine the bank balance.

A. ₦6,950 credit
B. ₦6,950 debit
C. ₦ 6,000 credit
D. ₦ 6,000 debit

10. In a three-column cash book, dishonoured cheques will be shown on the

A. bank column (debit)
B. bank column (credit)
C. cash column (debit)
D. cash column (credit)

Date	Particulars	Folio	Details	Total
1/6/02	2 bags of Maize	SL	1,800	1,800
12/6/02	3 bags of Salt		7,000	7,000
				8,800
	Less 5% discount			

11. The 5% discount shown above indicates

A. trade discount
B. cash discount
C. discount allowed
D. discount received

12. Cash can be drawn from the bank using

A. a bank teller
B. a credit card
C. a recharge card
D. ATM card

13. In a modern day banking system, cash transfer cannot be made where the transferor

A. has no sufficient cash with the bank
B. has no account with the bank
C. does not reside in the bank's country
D. does not possess the domestic currency

14. Given:

Cashbook balance	₦5000
Dishonoured cheque	₦1000
Direct credit	₦ 800
Direct debit	₦ 500

The adjusted cash book balance is

A. ₦6,300
B. ₦4,300
C. ₦3,700
D. ₦2,700

Use the information below to answer questions 15 and 16.

	₦
Stock 1/1	2,000
Net sales	370,000
Add purchases	250,000
Cost of goods available for sale	270,000
Less stock 31/12	40,000

Cost of goods sold	230,000
Rent expenses	35,000

15. Find the gross profit.

A. ₦370,000
B. ₦230,000
C. ₦150,000
D. ₦140,000

16. Calculate the net profit.

A. ₦35,000
B. ₦40,000
C. ₦105,000
D. ₦115,000

Use the information below to answer questions 17 and 18.

At the end of a financial period, the trading profit and loss account of a sole trader shows a profit of ₦180,000. It is, however discovered that revenue of ₦15,000 is recorded as expenses while expenses of ₦4,000 is recorded as revenue.

17. Determine the adjusted net profit

A. ₦210,000
B. ₦202,000
C. ₦195,000
D. ₦184,000

18. The revenue to be added as an adjustment is

A. ₦34,000
B. ₦30,000
C. ₦15,000
D. ₦4,000

19. Which of the following is an item of special assets?

A. Fixed assets
B. Current assets
C. Trademark
D. Gratuity

Use the information below to answer questions 20 and 21.

1/5/07 Purchased 100 bags of milk at ₦10.00k each

3/5/07	Purchased 60 bags of milk at ₦11.50k each
15/5/07	Issued 85 bags of milk
15/5/07	Purchased 180 bags of milk at ₦12.80k each
22/5/07	Issued 145 bags of milk.

20. Using FIFO method, what would be the value of stock as at 9/5/07?

A. ₦862.50
B. ₦840.00
C. ₦806.25
D. ₦750.00

21. Using simple average method, calculate the value of stock after 22/5/07

A. ₦1,198.00
B. ₦1,218.38
C. ₦1,257.67
D. ₦1,408.00

22. The LIFO method has an advantage over FIFO in that stocks are valued at

A. previous prices
B. current prices
C. average rates
D. flat rates

23. In sales ledger control account, returns inwards is usually

A. debited and debtors credited
B. credited and sales returns debited
C. debited and cash credited
D. credited and bank credited

24. Purchasers ledger control account can also be referred to as

A. sales day book
B. purchases day book
C. creditors ledger
D. debtors ledger

25. Which of the following is a debit item in the sales ledger control account?

A. Cheque receipts
B. Dishonoured cheques

C. Discount allowed

D. Bills receivable

26. Cash Book (Extract)

	₦		₦
Balance b/f	2,600	Sundry expenses	16,800
Receipt from customers	16,400	Drawings	4,700
		Supplier	7,300

Debtors opening and closing balances amount to N6,500 and N7,600 respectively. What is the sales value?

A. ₦15,300

B. ₦17,500

C. ₦28,400

D. ₦31,600

27. Given:

	₦
Fixtures	30, 000
Debtors	7, 000
Stock	8,000
Creditors	3,000
Goodwill	10,000

Determine the capital

A. ₦10,000

B. ₦42,000

C. ₦45,000

D. ₦52,000

28. In manufacturing accounts, finance expenses are charged to the ___?

A. departmental account

B. trading account

C. profit and loss account

D. balance sheet

Use the information below to answer questions 29 and 30.

	₦
Total production cost	360,000
Factory overhead cost	56,000
Selling price per unit	120

Production volume 4000 units

29. What is the total manufacturing profit?

A. ₦64,000

B. ₦120,000

C. ₦360,000

D. ₦480,000

30. Determine the value of prime cost

A. ₦416,000

B. ₦304,000

C. ₦240,000

D. ₦184,000

31. The excess revenue over expenditure is charged to

A. profit and loss

B. revenue account

C. accumulated fund

D. income and expenditure account

32. Given:

Receipt and Payment Accounts (Extract)

Date	Receipt	₦	Date	Payment	₦
1/9	Balance b/f	210,000	10/9	Salary	20,000
5/9	Subscriptions	80,000	15/9	Wages	15,000
30/9	Donations	6000	20/9	Donations	40,000
			20/9	Transportation	10,000
			30/9	Entertainment	50,000

Determine the balance

A. 415,000 debit

B. 215,000 credit

C. 215,000 debit

D. 315,000 credit

33. The main advantage of a departmental account is that its

A. expenses are shared

B. gross profit is computed

C. net profit is computed

D. balance sheet is obtained

34. Given:

Trading, Profit and Loss Account (Extract)

	Dept	X
Net sales		
Less cost of goods sold		3000
Stock 1/1	200	
Purchases	1,000	
Cost of goods available for sale	1,200	
Less stock 11/12	400	
Cost of goods sold		800

From the above information, the gross profit department X is

A. ₦3, 800
B. ₦2,300
C. ₦2,200
D. ₦2,000

35. In the head office ledger, the value of goods sent to the branch are

A. debited to the head office current account
B. debited to the branch current account
C. credited to the head office current account
D. credited to the branch current account

36. Which of the following methods of invoicing goods to branches facilitate easy checks on the activities of branches?

A. cost price
B. fixed percentage on cost
C. selling price
D. invoice price

Use the information below to answer questions 37 and 38.

The partners capital are: Modibbo ₦60,000 and Jakata ₦90,000. The partners share profit and losses in the ratio of their capital contributions. The net profit for the year is ₦12,000.

37. Find Modibbo's share of the profit

A. ₦62,000
B. ₦48,000
C. ₦44,000
D. ₦43,000

38. What is Jakata's profit sharing profit?

A. 3:5
B. 1:2
C. 2:5
D. 1:5

39. In what way can goodwill be written off in a partnership business?

A. Using the partners' profit and loss sharing ratio
B. By neglecting the ratio of partners' capital contributions
C. By sharing it unequally among the partners where no agreement exists
D. By sharing it among the active partners only

40. Ngozi and Musa with a capital of ₦30,000 each decide to admit Mary into the partnership business with a capital of ₦20,000 and goodwill ₦15,000. If the profits and losses are to be shared equally, the journal entries to record goodwill are ___.

A. debit goodwill ₦15,000, cash ₦20,000 and credit Mary's capital ₦35,000
B. credit goodwill ₦15,000, cash ₦20,000 and debit Mary's ₦35,000
C. debit goodwill ₦15,000, credit cash ₦20,000 and credit Mary's capital ₦20,000
D. debit old partners' capital ₦15,000, credit cash ₦20,000 and Mary's capital ₦35,000

41. In converting a partnership into a limited liability company, the necessary accounts to be opened in the books of the company are

A. business purchase account and ordinary share capital account
B. Business purchase account, vendor account and ordinary share capital account
C. business purchase account and vendor account
D. ordinary share capital account, vendor account and unpaid share capital account

42. Given:
I. The Memorandum of Association of the Company
II. The Article of Association of the Company

III. The Incorporation documents

From the above, which of the following is delivered to the Registrar of companies for incorporation

A. I and II
B. I,II and III
C. I and III
D. II and III

43. When shares are oversubscribed and money returned to unsuccessful applicants, the entry to record such money is to debit

A. application and allotment account and credit unsubscribed shares
B. application and allotment account and credit cash
C. oversubscribed shares and credit allotment account
D. oversubscribed shares and credit allotment account

44. Investment at cost of a company is to be disclosed under

A. trading accounts
B. profit and loss account
C. balance sheet
D. source and application of fund

Use the information below to answer questions 45 and 46.

	₦
Purchasers -	₦44,880
Sales -	₦85,850
Trade creditors -	₦12,250
Trade debtors -	₦24,000
Accrued expenses -	₦ 350
Prepaid expenses -	₦ 700
Stock 1/1/2006 -	₦25,120
Stock 31/12/2006 -	₦27,840

45. Calculate the acid test ratio.

A. 1:94:1
B. 1:96:1
C. 1:1:94
D. 1:1:96

46. Determine the number of times stock was turned over during the period to the nearest figure

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

47. Which of the following is a source of revenue to the federation account?

A. Market fees
B. Bicycle licences
C. Tariffs
D. Property rates

48. The book into which all types of a ministry's expenditure are recorded is the

A. ledger book
B. payment book
C. vote book
D. expenditure book

49. The Petroleum Technology Development Fund is under the

A. general fund
B. contingency fund
C. trust fund
D. capital fund

50. The power to appoint the Auditor General of the Federation is vested in the

A. National Assembly
B. President
C. Judicial Service Commission
D. Civil Service Commission

ANSWER KEYS

1. B **2.** A **3.** A **4.** C **5.** C **6.** C **7.** B **8.** A **9.** B **10.** A **11.** A **12.** D **13.** A **14.** A **15.** D **16.** C **17.** B **18.** B **19.** C **20.** D **21.** D **22.** B **23.** B **24.** C **25.** B

26. B **27.** D **28.** C **29.** B **30.** B **31.** C **32.** C **33.** A **34.** C **35.** A **36.** A **37.** B **38.** D **39.** A **40.** A **41.** B **42.** B **43.** B **44.** C **45.** B **46.** B **47.** C **48.** C **49.** D **50.** B

2013 JAMB ACCOUNTS QUESTIONS

PAPER TYPE: U

1. Which Question Paper Type of Principles of Account is given to you?

A. Type D.
B. Type I.
C. Type B.
D. Type U.

2. Accounting information seeks to provide ____.

A. permanent records for all transactions
B. analysis of accounts to trade debtors
C. audited reports on the accounts of a company
D. data about the employees of a company

3. When the debit side total of an account, it means that the account has

A. been overdrawn
B. been understated
C. debit balance
D. credit balance

Use the information below to answer questions 4 and 5.

July 1 - Started business with ₦10,500
July 31- Paid Agromachinex ₦6,000 owing them

4. The double entry for July 1 would be

A. debit capital and credit cash
B. credit cash and debit bank
C. debit cash and credit capital
D. debit purchases and credit cash

5. The double entry for July 31 would be

A. debit Agromachinex and credit cash
B. debit equipment and credit Agromachinex

C. credit capital and debit cash
D. credit cash and debit purchases

6. The total credit sales for a period can be extracted from the __.

A. cash book
B. sales day book
C. petty cash book
D. returns inwards

7. The major source document which enables an employer to calculate the employee wages is the __.

A. nominal roll of employees
B. record of number of hours worked
C. effort of the employee
D. record of number of dependants per employee

8. Which of the following items is a capital expenditure?

A. Maintenance of office machine
B. Purchase of office stationery
C. Carriage inwards
D. Purchase of office machinery

9. The corresponding entry of personal accounts found in the debit side of the cash is to __.

A. credit real accounts
B. debit real accounts
C. credit the ledger
D. debit the ledger

10. Alaka who owed Saka ₦15,000, settled his debt after deducting cash discount of 10 %. To record the discount in the book of Saka, debit

A. discount received account and credit Alaka's account
B. Alaka's account and credit discount received account
C. Saka's account and credit discount received account
D. discount allowed account and credit Alaka's account

11. I. The amount of the imprest is the same from one organization to another

II. At the end of a fixed period, the petty cashier received a fixed sum of money.

III. At the end of a period, the petty cashier is reimbursed with the amount spent in that period.

IV. The system is a method by which a measure of control is kept on petty cash expenses.

Which of the above is correct about the imprest system?

A. I, II and III
B. I, III and IV
C. II and IV
D. III and IV

Use the information below to answer questions 12 and 13

A machine bought for ₦35,000 was estimated to have a life span of 5 years with a scrap value of ₦9,000.

12. The yearly depreciation using the straight line method would be

A. ₦8,800
B. ₦6,500
C. ₦5,200
D. ₦4,400

13. If the scrap value is presently ₦15,000 what will be the yearly depreciation using straight line method?

A. ₦4,000
B. ₦7,000
C. ₦11,000
D. ₦24,000

14. The purchase of mattresses from Freehold enterprises by cheque amounted to ₦305,150. The correct entries for this transaction in the book of the buyer is to debit

A. sales account and credit bank account
B. purchases and credit bank account

C. cash and credit freehold

D. bank and credit freehold

Use the information below to answer questions 15 and 16.

	₦
Sales -	₦232,000
Opening stock -	₦ 28,000
Purchases -	₦128,000
Carriage inwards -	₦ 4,000
Carriage outwards -	₦ 6,000
Closing stock -	₦10,000
Discount received -	₦18,000
Expenses -	₦ 20,000

15. Calculate the gross profit

A. ₦100,000

B. ₦86,00

C. ₦82,000

D. ₦76,000

16. Calculate the expenses debited to the profit and loss account

A. ₦17,000

B. ₦23,000

C. ₦26,000

D. ₦30,000

17. Given:

Opening capital -	₦1,500
Capital introduced -	₦ 500
Profit for the year -	₦ 800
Cash drawings -	₦ 250

Calculate the closing capital

A. ₦2,550

B. ₦2,500

C. ₦2,350

D. ₦2,250

18. What type of stock valuation would a vegetable seller adopt in valuing it's product?

A. LIFO

B. FIFO

C. Simple average

D. Weighted average

19. The total cash and cheques received from customers in a control account is derived from the

A. purchases day book

B. cash book

C. income and expenditure account

D. sales journal

Use the information below to answer questions 20 and 21.

	1/1/2010	31/12/2010
	₦	₦
Creditors	9,000	9,800
Rent owing	3,800	2,500
Rates prepaid	2,000	3,500
Motor van	8,000	8,000
Premises	10,500	10,500

20. Find the opening capital

A. ₦5,700

B. ₦7,700

C. ₦9,800

D. ₦14,900

21. Calculate the value of closing capital

A. ₦8,700

B. ₦9,500

C. ₦9,700

D. ₦10,700

22. Given:

Opening capital	₦50,000
Closing capital	₦64,000
Drawings	₦16,000

Determine the net profit

A. ₦2,000

B. ₦14,000

C. ₦20,000

D. ₦30,000

23. The estimated profit or loss for a period is calculated by

A. closing capital less opening capital add drawings

B. opening capital less closing capital add drawings

C. opening capital less drawings add closing capital

D. opening capital add closing add drawings

24. Given:

	₦
Drawings	3,500
Net loss	2,500

Capital	35,000
1/1/2007	
Additional Capital	10,000

The adjusted capital as at 31/1/2007 is

A. ₦35,000
B. ₦39,000
C. ₦45,000
D. ₦46,000

25. When goods produced are transferred at cost plus mark-up sale, the difference between the cost and the transferred price is a

A. discount
B. sales commission
C. manufacturing profit
D. factory reserves

26. The addition of prime cost, indirect cost and opening work-in-progress less the closing work-in-progress will result in cost of__.

A. goods available for sale
B. goods sold
C. goods manufactured
D. materials put into production

Use the information below to answer question 27-28.

	₦
Opening stock of raw materials	75,000
Purchase of raw materials	330,000
Closing stock of raw materials	80,000
Direct wages	30,000
Carriages of raw materials	10,000

27. Calculate the cost of raw materials used

A. ₦495,000
B. ₦415,000
C. ₦335,000
D. ₦305,000

28. Determine the prime cost.

A. ₦525,000
B. ₦515,000
C. ₦465,000
D. ₦365,000

29. In manufacturing account, the work-in-progress at the end of the year is ___.

A. deducted from the cost of goods completed during this year
B. added to the cost of goods completed
C. stated in the profit and loss account
D. stated in the prime cost section

30. Which of the following is accounted for in receipts and payment account?

A. Subscriptions received in advance
B. Subscriptions due not yet received
C. Accrued expenses on annual dances
D. Depreciation of the club house

31. Which of the following expenses relates to the profit and loss account of a manufacturing firm

A. Direct materials
B. Direct labour
C. Administrative overhead
D. Work-in-progress

32. I. Direct materials
II. Direct labour
III. Direct expenses
IV. Factory expenses

Prime cost consists of

A. I, II and III
B. I, II and IV
C. I, III and IV
D. II, III and IV

33. The amount paid by a new partner on admission as a compensation for the reputation built up by old partners is a

A. bonus
B. commission
C. premium
D. goodwill

34. A partnership's internal regulations are set out by

A. a deed
B. a law
C. a constitution
D. an article

35. In a partnership account, interest on drawings is

A. debited to appropriation account
B. credited to appropriation account
C. treated as an expense in profit and loss account
D. recorded in the balance sheet as current assets

36. When a share valued at 50k is issued at ₦1.59, it is said to be issued at

A. par
B. premium
C. discount
D. interest

37. The purchase consideration that is lower than the net asset implies that, the buyer has gained the advantage of

A. net income
B. revenue reserve
C. capital reserve
D. net loss

38. When shares are issued at a discount, entries are to debit ___.

A. application allotment account and credit discount account
B. discount account and credit
C. cash account and credit discount account
D. discount account and credit bank account

39. When there is no basis of apportionment in an organization, the expenses should be apportioned based on

A. sales
B. purchases
C. equality
D. floor space

Use the information below to answer questions 40 and 41.

Department	K	Y
	₦	₦
Opening stock	2,500	800
Purchases	120,000	100,000
Sales	180,000	200,000
Salaries	8,000	30,000
Closing Stock	3,000	1500

Rate expenses of ₦1,500 are apportioned in the ratio 1:2.

40. The gross profit for K is

A. ₦23,500
B. ₦60,500
C. ₦60,700
D. ₦82,500

41. What is the net profit of Y?

A. ₦52,000
B. ₦68,300
C. ₦68,800
D. ₦69,700

42. The objective of departmental account is to

A. ascertain the cost of running the organization
B. ascertain the amount of profit or loss for each department
C. ascertain the amount of profits for losses for the enterprises
D. offset the loss of each treatment

43. Which of the following is the capital reserve of a company?

A. Share premium
B. Retained profit
C. Accumulated depreciation
D. Loss on forfeited shares

44. Given:
Applications were invited by the directors of Abiodun PLC for 500,000 ordinary shares of ₦1:00 each at ₦1:10 per share payable as follows;

On application	**46k**
On allotment	**20k**

1st Call	**15k**
2nd Call	**19k**

How much is to be paid for application?

A. ₦230,000
B. ₦280,000
C. ₦500,000
D. ₦550,000

45. The issued share capital is the number of shares that are __

A. authorized by share holders
B. shared among the directors
C. fully subscribed
D. in the share certificate

46. The distributable profit available to shareholders at the end of each year is the __.

A. total profit and debtors balance
B. general reserve and retained profit
C. retained profit and fictitious assets
D. total profit less creditors balance

47. The debenture issued at par above the nominal value is said to be issued at a

A. cost price
B. mark-up
C. premium
D. margin

48. Accountant-general of the federation is responsible for

A. the general supervision of all auditing personnel in all the ministries
B. the compilation of annual financial statement
C. the interpretation of rules and regulations affecting the private sectors
D. ensuring the efficient operation of the ministries

49. Given:
Assets and Liabilities of a Local Government

	₦
Bank balance	6,484,000
Cash	900
General revenue balances	9,774,500
Accrued salaries	1,220,000
Investment in shares	1,480,000
Vehicles	7,620,000

Calculate the liabilities of the local government

A. ₦10,994,500
B. ₦17,394,500
C. ₦18,774,500
D. ₦18,874,500

50. An instrument which allows public officers to increase expenditure within a year is __ .

A. statutory allocation
B. supplementary budget
C. virement
D. warrant

ANSWER KEYS

1. D **2.** A **3.** C **4.** C **5.** A **6.** B **7.** B **8.** D **9.** C **10.** D **11.** C **12.** C **13.** A **14.** B **15.** C **16.** C **17.** A **18.** B **19.** B **20.** B **21.** C **22.** D **23.** A **24.** C **25.** C

26. C **27.** C **28.** D **29.** A **30.** A **31.** C **32.** A **33.** D **34.** A **35.** B **36.** B **37.** C **38.** A **39.** C **40.** B **41.** D **42.** B **43.** A **44.** A **45.** A **46.** D **47.** C **48.** B **49.** A **50.** B

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2014 JAMB ACCOUNTS QUESTIONS

PAPER TYPE: S

1. Which Question Paper Type of Principles of Accounts is given to you?

A. Type F.
B. Type E.
C. Type L.
D. Type S.

2. One of the differences between bookkeeping and accounting is that the former __.

A. records data while the latter interprets
B. is regarded as the language of the business while the latter ascertains its strength
C. interprets data while the latter records it
D. summarises information while the latter communicates it

3. The concept which states that revenue should be recognized at the point when the sale is deemed to have been made is

A. matching
B. consistency
C. realization
D. going concern

4. A cheque of ₦5,000 paid to Sulieman had been correctly entered in the cash book but had not been entered in Sulieman's account. To correct this error, debit Sulieman's account and credit

A. cash account
B. bank account
C. suspense account
D. purchases account

5. Aduke Motors bought three Toyota Hilux vans on cash at the cost of ₦6,000,000, on debiting the vehicle account, the corresponding credit for the purchase will appear in the __.

A. sales day book
B. purchases day book
C. sales subsidiary book
D. cash book

6. Which of the following affects the accuracy and authenticity of the trial balance?

A. Error of omission
B. Error of commission
C. Error of transposition
D. Error of original entry

7. A ledger is classified into

A. private, sales and purchases
B. personal, general and private
C. general, private and sales
D. sales, purchases and general

8. The book of account in which information from the source documents are recorded consists of __.

A. debit and credit notes
B. ledger and subsidiary books
C. prepayments and accruals
D. profit and loss and balance sheet

9. The accounting entries to record a cheque issued by a business is to

A. debit cash book and credit drawer
B. credit cash book and debit drawer
C. debit cash book and credit suspense account
D. credit cash book and debit suspense account

10. Given:
If Emeka Enterprises settles its suppliers for goods purchased within 7 days, it can earn a cash discount of 12 and half percent. Assuming ₦22,800 worth of goods were purchased and settled within 5 days, what will be the amount to be credited in the cash column of the company's cash book?

A. ₦25,650
B. ₦22,800

C. ₦19,950

D. ₦18,240

11. The major advantage of an imprest system is that it __.

A. ensures a proper accountability for every expenditure

B. trains the young accountants in preparation for greater responsibilities

C. relieves the chief cashier of the numerous petty cash payments

D. serves as an analysis column for every expense

12. Petty cash book records transactions on

A. the debit side only

B. the credit side only

C. both credit and debit sides

D. reversed entry

13. A major way by which the headquarters guard against fraud in branches on cash remittance is through the introduction of

A. imprest system only

B. direct purchase by branch

C. separate accountant for the branch

D. credit sales by only the headquarters

14. I. Cash sales

II. Cash purchases

III. Cash discount allowed

IV. Cash payment

V. Cash receipts

Which of the following are recorded on the debit side of the cashbook?

A. I and II

B. I and III

C. I and V

D. I and IV

15. An item credited in the bank statement but yet to be recorded in the firm's cash book is

A. bank loan

B. contract payment

C. standing order

D. direct deposit

16. The formula for calculating depreciation using straight line method is

A. $\frac{\text{Scrape Value + Sales}}{\text{Useful life}}$

B. $\frac{\text{Cost}-\text{Scrape Value}}{\text{Useful life}}$

C. $\frac{\text{Sales}-\text{Scrape Value}}{\text{Useful life}}$

D. $\frac{\text{Purchases+Sales}}{\text{Useful life}}$

17. The major focus of the trading account is to show

A. net profit
B. gross margin
C. total purchases
D. total sales

18. If goods were bought from Tanko at a cost price of ₦9,000 with a cash discount of 5%, how much will be paid assuming prompt payment was made?

A. ₦4,500
B. ₦8,550
C. ₦9,000
D. ₦9,450

19. If machine X cost ₦600,000 with anticipated life span of five years and estimated scrap value of ₦50,000, using straight line method; depreciation charged for two years will be

A. ₦700,000
B. ₦240,000
C. ₦220,000
D. ₦202,000

Use the information below to answer questions 20 and 21.

Balance sheet (Extract)

	₦
Creditors	**7,940**
Prepaid expenses	**290**
Accrual expenses	**323**
Stock	**4,500**
Cash balance	**4,956**
Debtors	**905**

20. The value of the current assets will be

A. ₦10,361
B. ₦10,651
C. ₦17,396
D. ₦17,848

21. Determine the current liabilities

A. ₦8,553
B. ₦8,263
C. ₦7,940
D. ₦1,228

22. The excess of sales over cost of goods sold is

A. gross sales
B. gross profit
C. net profit
D. net sales

Use the information below to answer questions 23 and 24.

2/3 Purchases 900 books at ₦1,000 each
4/3 Purchases 590 books at ₦ 950 each
15/3 Sales 300 books at ₦900 each

23. Determine the cost of goods sold using FIFO

A. ₦285,000
B. ₦300,000
C. ₦570,000
D. ₦600,000

24. Calculate the cost of goods available for sale using LIFO

A. ₦801,000
B. ₦1,100,500
C. ₦1,160,500
D. ₦1,175,500

25. The control account is used in facilitating

A. the location of errors in the various accounts
B. up to date bank transactions
C. the payment of debts and liabilities of the firm
D. assets distribution with respect to income

26. A book of account that possesses the features of both daybook and ledger is

A. sales day book
B. cash book
C. purchases day book
D. returns day book

27. The value of the sales ledger control account is derived from the summation of

A. the total debtors' account
B. the total creditors' account
C. all day books
D. both the debtors' and creditors' accounts

28. Subscription in arrears is treated in the balance sheet of a club as

A. current asset
B. current liability
C. fixed asset
D. intangible asset

29. Maina Merchants Trading and Profit and Loss Account (Extract)

	₦		₦
Stock (1/1/2010)	80,000	Sale	300,000
Purchases	90,000	Less returns	
Cost of goods available for sale	170,000		
Inwards	30,000		
Stock (31/12/2010)	?		

	------		270,000
Cost of goods sold	?		
Gross profit	150,000		
	270,000		270,000

Determine the closing stock.

A. ₦30,000
B. ₦40,000
C. ₦50,000
D. ₦60,000

Use the information below to answer questions 30 and 31.

Social Club Subscription (Extract)

	₦
31/12/2009	

Subscription Accrued	**18,900**
Subscription received in advance	**16,400**
Subscription received during the year 2009	**38,570**

30. Determine the amount of subscription for the year

A. ₦57,470
B. ₦41,070
C. ₦40,210
D. ₦35,300

31. What is the amount of subscription to be shown as liability in the balance sheet as at December 2009 ?

A. ₦14,200
B. ₦16,400
C. ₦18,900
D. ₦20,500

Use the information below to answer question 32 and 33.

Income and Expenditure (Extract)

	₦		₦
Bal. b/d	390	Expenses on cleaning	300
Sales of tickets	4000	New tool	510
Donations	3,000	Repairs	400
Subscriptions	6,500	Electricity	350

32. What is the total income for the period?

A. ₦13,890
B. ₦13,500
C. ₦10,500
D. ₦9,500

33. What is the balance carried down?

A. ₦11,680
B. ₦11,930
C. ₦12,330
D. ₦13,430

34. Given:

	₦
Sales	180,000
Stock 1/1	25,000
Purchases	110,000

Sales returns	1,000
Purchases returns	1,500
Gross profit	58,000

Determine the value of stock as at 31st December

A. ₦8000
B. ₦9,500
C. ₦12,500
D. ₦15,500

35. In a departmental account, where no basis of apportionment exist, apportionment is

A. on profit basis
B. according to employee decision
C. according to material available
D. on equal basis

36. In a departmental account, the expenses to be apportioned on the basis of turnover is

A. carriage inwards
B. returns outwards
C. discount received
D. carriage outwards

37. If goods are sent to branch at 25% on cost, what will be the cost of goods sent to the branch at a selling price of ₦100,000?

A. ₦130,000
B. ₦125,000
C. ₦80,000
D. ₦75,000

Use the information below to answer questions 30 and 31.

Hussaina Enterprises sent goods worth ₦800,000 at cost plus mark-up of 20% to its branch

38. What is the cost price of the goods sent to the branch?

A. ₦600,000
B. ₦620,000
C. ₦640,000
D. ₦700,000

39. Determine the profit on the goods sent to the branch at profit margin of 25% mark-up.

A. ₦150,000
B. ₦160,000
C. ₦170,000
D. ₦180,000

40. In the absence of a partnership deed, the act stipulates that ___.

A. an amount should be fixed as salary for partners
B. interest on partners loan should be 25%
C. interest should not be allowed on partners drawings
D. profits and losses should not be shared equally

41. The profit of a branch is usually credited to the ___ .

A. adjustment account
B. head office sales
C. head office goods account
D. head office current account

42. Where partnership is converted into a limited liability company, current account balances of partners are transferred to a

A. realization account
B. savings account
C. share capital account
D. capital account

43. The expenses incurred in purchasing a vehicle is a

A. revenue expenditure
B. capital expenditure
C. recurrent expenditure
D. concurrent expenditure

44. Payment for shares in excess of amount offered gives rise to

A. subscription in advance
B. revenue reserves
C. capital reserves
D. calls-in-advance

45. The details of the share capital which a company is authorized to issue is contained in the

A. Articles of Association
B. Companies and Allied Matters Act
C. Memorandum of Association
D. Share capital certificate

46. ₦800,000 worth of ordinary shares of 50k were issued at ₦1 each, payable in full on application. The entry in the cash book would be to

A. credit ₦1,600,000
B. debit ₦1,600,000
C. credit ₦1,600,000
D. debit ₦800,000

Use the information below to answer questions 47 and 48.

Oil and Buns issued to the public 1,300,000 ordinary shares of 75k at a price of ₦1.50k. Application and allotment were received for 900,000 shares at 25k each.

47. Determine the amount received on application and allotment

A. ₦224,950
B. ₦225,000
C. ₦324,950
D. ₦325,000

48. The book value of issued share capital is

A. ₦675,000
B. ₦975,000
C. ₦1,350,000
D. ₦1,950,000

49. The account of government into which all monies are received and from which all expenditures are disbursed is the __

A. Federation account
B. Petroleum Technology Development Fund
C. Central Bank Account
D. Development fund

50. In government accounting, the method used which records on the basis of financial entity with self-balancing books instead of entity of proprietorship is

A. virement

B. fund accounting

C. consolidated fund

D. financial regulation

ANSWER KEYS

1. D **2.** A **3.** C **4.** B **5.** D **6.** C **7.** B
8. B **9.** B **10.** C **11.** C **12.** C **13.** D
14. C **15.** D **16.** B **17.** B **18.** B
19. C **20.** B **21.** B **22.** B **23.** B
24. D **25.** A

26. B **27.** A **28.** B **29.** C **30.** A
31. C **32.** A **33.** C **34.** C **35.** A
36. D **37.** D **38.** B **39.** D **40.** D
41. C **42.** A **43.** B **44.** C **45.** C
46. D **47.** B **48.** D **49.** A **50.** D

2015 JAMB ACCOUNTS QUESTIONS

1. The Term "accounting period" is used to refer to the ___.

A. period within which debtors are expected to settle accounts
B. time span, usually one year, covered by financial statement
C. time span during which taxes are paid to the Inland Revenue Board
D. budget period, usually one year, relied on by the accountant.

2. Assigning revenues to the accounting period in which goods were sold or services rendered and expenses incurred is known as ____.

A. matching concept
B. consistency convention
C. adjusting for revenue
D. passing of entries

3. An effective accounting system should provide information ___.

A. for customer feedback and requirement
B. on new products and methods
C. for promoters, directors, labour unions and distributors
D. on internal and external reporting for managers and third party

4. Which of the following accounting records are source documents?

A. Sales invoice and cash book
B. Sales invoice and debit note
C. journals and ledger
D. cash book and debit note

5. The instruments that are generated when firms enter into business transactions with others are called ___.

A. invoices
B. source documents
C. purchases documents
D. journals

6. The document that is used to acknowledge the acceptance of the return of goods by the seller from the buyer is known as __.

A. invoice
B. debit note
C. credit note
D. voucher

7. The act establishing the Institute of Chartered Accountants of Nigeria (ICAN) came into force on

A. 1st September, 1963
B. 1st October, 1960
C. 1st September, 1960
D. 1st October, 1963

8. An advantage of the use of the voucher system is that it __.

A. reduces the number of cheques that will ne written during any given period
B. provides a highly flexible system for handling unusual transactions
C. ensures that every expenditure is reviewed and verified before payment is made
D. provides a comprehensive record of business done with particular suppliers

Use the information below to answer questions 9 and 10.

Aminu and Sons credit purchases [Extract] as at February 1996.

		₦
Feb. 1	Credit balances	40,000
Feb. 28	Debit balances	1,000
Purchases journal totals		500,000
Returns outwards journal total		50,000
Cheques paid to suppliers		400,000
Promissory notes sent to Suppliers		30,000
Discount received from suppliers		8,000
Credit balances in the purchases ledger set off against debit balances in the sales ledger		2,000

9. The total for the purchases ledger control account is __.

A. ₦480,000
B. ₦540,000
C. ₦490,000

D. ₦500,000

10. What is the balance c/d in the purchases' ledger control account?

A. ₦49,000
B. ₦2,000
C. ₦40,000
D. ₦8,000

Use the information below to answer questions 11 and 12.

	₦
Sales	20,000
Cost of sales	10,000
Operating expenses	2,500
Expenses prepaid included in operating expense	500

11. Calculate the net profit

A. ₦7,500
B. ₦12,500
C. ₦10,000
D. ₦8,000

12. What is the gross profit margin?

A. 50%
B. 50%
C. 30%
D. 100%

13. The main objective of accounting report is to provide information about __.

A. a company's shareholders
B. the efficacy of assets
C. a company's economic resources
D. an entity's management

14. If liabilities amounted to ₦12,045, other assets ₦360,800 and equity ₦26,896, the cash at hand would be __.

A. ₦2,241
B. ₦2,214
C. ₦2,114
D. ₦2,141

15. In preparing the final accounts, the Bad debt account is closed by a transfer to the __.

A. balance sheet
B. profit and loss account
C. trading, account
D. provision for bad debts account

16. Given:

	₦
Stock (1/4/94)	800
Purchases of flour	2450
Sales	4750
Wages of bakery staff	675
Carriage outwards	50
Salary of administrative staff	225
Stock (31/3/95)	940
Capital	1540

Determine the cost of goods sold

A. ₦12985
B. ₦2515
C. ₦3925
D. ₦3250

17. Which of the following is used to update the cashbook bank reconciliation?

A. Interest received and unpresented cheques
B. Commission and debit note
C. Interest received and direct credit
D. Unpresented cheques and direct credit

18. The two legally recognized professional accounting bodies in Nigeria are the __.

A. Nigerian Accounting Association and the Executive Cost and Management Accountants of Nigeria
B. Institute of Certified Public Accountants of Nigeria and the Institute of Cost and Management Accountants of Nigeria
C. Association of Accountants of Nigeria and the Institute of Management Accountants of Nigeria
D. Institute of Chartered Accountants of Nigeria and the Association of National Accountants of Nigeria

19. A source document is used for verifying, the __.

A. amount due from debtors
B. selling, price of goods
C. actual cost of an asset
D. amount due to creditors

20. The rule of accounting equation requires that account payable should be placed under __.

A. capital
B. assets
C. liabilities
D. equities

21. The double entry principle of accounting was developed by __.

A. William Pickles
B. Akintola Williams
C. Luca Pacioli
D. Frank Wood.

22. The concept that has much influence over asset valuation and income determination is__.

A. entity
B. realization
C. matching
D. conservatism

Use the information below to answer questions 23 and 24.

On January 1 2005. a machine was bought for N56 000 to last for 5 years with a residual value of ₦1,000

23. Calculate the yearly depreciation expenses using the straight-line method.

A. ₦11,200
B. ₦11 000
C. ₦11 300
D. ₦11,400

24. The rate of the yearly depreciation expense would be

A. 20%
B. 30%
C. 40%
D 50%

25. In the trading profit and loss account of a manufacturing organization, *purchases* is ___.

A. always the same amount as the total factory overhead cost
B. equivalent to the total cost of goods manufactured
C. always the same as the price cost
D. given separately

26. Goods worth ₦50 000 were sent at different times from head office to the branch during the year. By the end of the period, only ₦40 000 worth of goods had arrived at the branch. Which of the following is correct about the treatment of this transaction?

A. Branch should debit goods received from head office with ₦50,000.
B. Head office should debit goods sent to branch account with ₦10,000.
C. Head office should debit goods sent to branch account with ₦50,000.
D. Branch should debit goods received from head office with ₦10,000.

27. Given:

	₦
Sales	4 000
Light expenses	2 900
Rent	15 000
Purchases	7 500
Debtors	6 000
Creditors	29 325
Drawings	25
Bank	400
General expenses	1500

Calculate the total of the trial balance

A. ₦33 325
B. ₦41 850
C. 46 825
D. 64 300

28. Bariga, a stock broker bought stationery for ₦12 000 by cash. To record this transaction, debit

A. cash and credit stationery
B. stationery and credit cash
C. stationery and credit purchases
D. purchases and credit stationery

29. Cash discount is often recorded on __.

A. the debit side of the cash book
B. the credit side of the cash book
C. both credit and debit side of the cashbook
D. the folio column of the cash book

30. The standing order is a payment instruction given by a __.

A. customer to a fellow customer
B. bank to an employee
C. hank to the customers
D. customer to the bank

31. The major function of accounting bodies in Nigeria is to __.

A. promote the ethics of the profession
B. show the dynamic nature of the profession
C. provide good remuneration to the members
D. provide proper financial management of businesses

32. Ledger account is mainly classified into __.

A. fixed and current accounts
B. nominal. real and personal accounts
C. bank and cash accounts
D. management. financial and public sector accounting

33. The historical development of accounting reveals that it__.

A. is an ideal subject for financial development

B. is a product of its own environment.
C. deals with debit and credit of items
D. is a product of financial development

34. In a trial balance. income and liabilities are __.

A. credited
B. credited and debited respectively
C. debited
D. debited and credited respectively

35. Ibrahim, a micro business operator, sold 10 bags of sugar to Jide at total cost of ₦12 000. The record in Jide's book would be to debit __.

A. purchases ₦12 000 and credit sugar account ₦12 000
B. purchases ₦12,000 and credit Ibrahim ₦12,000
C. Ibrahim ₦12,000 and sugar account ₦12,000
D. Jide ₦12,000 and credit purchases ₦12,000

36. Given:

Cash Book

	₦		₦
Capital	2,600	Purchases	15,000
Sales	28,200	Rent	1,250
		Motor vehicle	7,600

Determine the bank balances.

A. ₦6,950 credit
B. ₦6,000 credit
C. ₦6,000 debit
D. ₦6,950 debit

37. Accounting information seeks to provide__.

A. analysis of accounts to trade debtors
B. permanent records for all transactions.
C. audited reports on the accounts of a company.
D. data about the employees of a company.

38. When the debit side total of an account exceeds the credit side total while balancing an account, it means that the account has __.

A. debit balance
B. credit balance
C. been understated
D. been overdrawn

39. One of the differences between bookkeeping and accounting is that the former __.

A. records data while the latter interprets it.
B. is regarded as the language of the business while the latter ascertains its strength
C. interprets data while the latter records it
D. summarizes information while the latter communicates it.

40. The concept which states that revenue should recognized at the point when the sale is deemed to have been made is __.

A. matching
B. consistency
C. going concern
D. realization

ANSWER KEYS:

1. B **2.** A **3.** D **4.** B **5.** B **6.** C **7.** A **8.** C **9.** B **10.** A **11.** D **12.** A **13.** D **14.** D **15.** B **16.** A **17.** C **18.** D **19.** B **20.** C

21. C **22.** C **23.** B **24.** A **25.** D **26.** C **27.** A **28.** B **29.** C **30.** D **31.** A **32.** B **33.** C **34.** A **35.** B **36.** D **37.** B **38.** A **39.** C **40.** D

2016 JAMB ACCOUNTS QUESTIONS

Use the information below to answer questions 1 and 2.

Ada and Udo are lawyers who went into partnership as Ado and Co. Ada brought cash of ₦12 000, furnishings worth ₦18,000 and a motor vehicle worth ₦70,000. Udo on the other hand brought in cash N10 000, his building valued at ₦105 000 and a personal computer worth ₦35 000.

1. What is the capital of Ado & Co.?

A. ₦100 000
B. ₦22 000
C. ₦250 000
D. ₦150 000.

2. What is the profit-sharing ratio if it is based on capital contributed by Ada and Udo?

A.3:2
B.2:3
C. 1:2
D. 2:1.

3. One major advantage of a ledger is that it __.

A. is a book of original entry
B. is only accessible to shareholders during liquidation
C. can be used by any type of business
D. removes the need for preparing a balance sheet after each transaction

4. A trial balance is usually prepared by an accountant from account balances in the ledger for the purpose of __.

A. classifying accounts in the ledger
B. identifying the balance sheet items
C. providing a basis for establishing the accountant's competence
D. testing arithmetical accuracies of the ledger account balances.

5. The total of the creditors at the beginning of the year was ₦4 600 and at the end of the year ₦5 250. During the year, ₦26 500 was paid to suppliers and ₦130 was received in discounts from these suppliers. The purchases for the year would be __?

A. ₦27 038
B. ₦26 630
C. ₦27 280
D. ₦27 150

6. Given:

	₦
Capital at the beginning	20 000
Drawings	3 000
Capital at end	30 000
New capital introduced	8,000

What is the profit for the period?

A. ₦8 000
B. ₦4 000
C. ₦5 000
D. ₦6 000.

7 Given:

	₦
Bank account	59,410
Capital account	50,000
Purchases account	20,000
Rent	2,500
Stationery	90
Typewriter	6,500
Sales	38,500

In preparing a trial balance from the list of balances given above, what is the total; in debit and credit columns?

A. ₦88,500
B. ₦85,800
C. ₦147,910
D. ₦138,500

8 The purchase of two generators by Hassan Electronics Enterprises should be recorded as

A. a part of capital in the capital account
B. an acquisition of stock
C. an expense in its general office expense account
D. an acquisition of fixed assets

9. Appropriation Account

	Kudu	Wale
	₦	₦
Interest on capital	750	550
Salaries	800	600
Share of profits	3,300	3,300

Determine the net profits of the partnership.

A. ₦6,600
B. ₦4,850
C. ₦9,300
D. ₦4,450

10. Dele and Seun who are in partnership have decided to convert their business into a limited liability company where both become directors. To convert the __.

A. they will simply continue since there are no new members.
B. the partnership is formally ended and new company books opened
C. computation of goodwill must be done as it is legally required
D. the shares and all other items will be shared equally and not in their former ratios.

11 The most convenient cash book used by a petty trader operating in an area where there is no banking facility is __.

A. four column
B. single column
C. two column
D. three column.

12 A general journal contains __.

A. date, narration, folio, debit and credit
B. folio, credit. date, debit and sales
C. date, narration, folio. debit and purchases
D. folio, credit. narration. date and discount.

Use the information below to answer questions 13 and 14.

Given

	₦
Fixed assets	85,600
Sales	197,000
Stock	34,300
Salaries and wages	37,000
Purchases	127,700
Share capital	120,000
Creditors	16,050
Motor expenses	10,500
Debtors	25,000

13 What is the cash balance?

A. ₦12,095
B. ₦12,905
C. ₦12,590
D. ₦12,950

14. Determine the total of the trial balance

A. ₦335,050
B. ₦323,050
C. ₦333,000
D. ₦230,550

15. The value of capital invested by the owners is __.

A. ₦101,000
B. ₦103,000
C. ₦100,000
D. ₦110.000

16 The liabilities of Udo Co. Ltd is

A. ₦177,000
B. ₦180,000
C. ₦110,000
D. ₦181,000

Use the information below to answer questions 17 and 18.

	₦
Capital	2000
Bank	1200
Purchases	2500
Sales	6700
Stock	1300
Creditors	1000
Fixed assets	3700
Drawings	?

Drawings are always estimated at 60% of capital

17. The trial balance total is __.

A. ₦8700
B. ₦9700
C. ₦7800
D. ₦7900

18 Compute the amount withdrawn

A. ₦1 000
B. ₦2 000
C. ₦1 500
D. ₦1 250

19. Zakari started a business in January 2000. He bought a shop costing ₦54,000 and stock worth ₦7,600. Profit for the year amounted to ₦22,100. His closing capital was 73,800.

Zakari's personal drawings amounted to

A. ₦9,900
B. ₦2,300
C. ₦19,500
D. ₦17,100

20. The balance on the provision for depreciation account is __.

A. deducted from fixed assets on the balance sheet
B. added to fixed assets on the balance sheet
C. added to the current liabilities of the account
D. deducted from the profit and loss account

21. What are the appropriate recording procedures for entries in the trial balance?

A. Ledgers. source documents and trial balance
B. Ledgers, trial balance and source documents
C. Source documents, ledgers and trial balance
D. Cash account, ledgers and trial balance.

22 Mr Bassev purchased a motor vehicle for use in his business and debited the purchases account

with the same value. This is an error of __.

A. principle
B. omission
C. original entry
D. commission

23 Accrual accounting differs from cash accounting because it recognizes __.

A. cash and creditors.
B. cash and debtors
C. debtors and creditors
D. prepayment and cash

24 A private company is different from a public company because __.

A. it cannot invite members of the public to subscribe for its shares
B. it does not restrict the right to transfer its shares
C. it can only offer its shares to members of the public for subscription
D. its shares are owned by one person.

25 The receipts and payments of account of a not-for-profit-making organization plays a similar role in profit-making organization as __.

A. a cash account
B. an expenses account
C. a balance sheet
D. an income account

26 Osei, and Yabo were in partnership sharing profits and losses in the ratio of 3:2. On admitting Takwa, the profit and loss sharing ratio was changed to 1:1:1, supposed Takwa paid -₦30 000 for goodwill, this amount would be

A. debited to goodwill account
B. credited to Takwa's current account
C. credited to the old partners' capital account
D. shared to all the partners' capital account.

27 Commission-on-turnover is charged on

A. savings accounts
B. current accounts only
C. all bank accounts
D. fixed deposit accounts only

28 The medium that enables the ATM to read the account details and process transactions directly with the account held in the bank is the __.

A. smart card
B. computerized account
C. magnetic strip
D. communication network

Use the information below to answer questions 29 and 30.

Adodo Enterprises and Loss Account (Extract)

	₦		₦
Opening stock	5,000	Sales	100,000
Purchases	?		
Less closing stock	5,600		
Cost of goods sold	?		
Gross profit	?		
	100,000		100,000

29 If the gross profit margin is 10%, what is the value of the cost of goods sold?

A. ₦90,000
B. ₦10,000
C. ₦110,000
D. ₦105,600

30 If the opening stock is 5% of sales, calculate the purchases.

A. ₦95.600
B. ₦90,600
C. ₦95,000
D. ₦85,000

31 A major cause of discrepancy between bank statement and the cash book that overstates the bank statement balance is the __.

A. direct payment
B. commission paid
C. direct withdrawal
D. interest received

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32 The bank charges levied on a current account holder is the charges on __.

A. transactions
B. cash received
C. turnover
D. transfer

33 **Given**

	₦
Light expenses	400
Purchases	3,000
Sales	1,200
Creditors	2,250
Debtors	50

Calculate the total of the trial balance.

A. ₦3,450
B. ₦4,300
C. ₦3,500
D. ₦4,250

34 The major feature of a journal is that it has __.

A. six columns. date, particulars, folio, amount, debit and credit
B. four columns, date, particulars, folio and amount
C. three columns, date, particular and folio
D. six columns, date, particulars, folio, debit and credit.

Use the information below to answer questions 35 and 36.

	₦		₦
Stock	20,000	Net sales	370,000
Add purchases	250,000		
Cost of goods available for sale	270,000		
Less stock 31/12	40,000		
Cost of goods sold			230,000
Rent expenses	35,000		

35 Find the gross profit.

A. ₦370,000
B. ₦140.000
C. ₦230,000
D. ₦150,000

36 Calculate the net profit.

A. ₦105,000

B.₦35,000

C. ₦40,000

D. ₦115,000

37 Which of the following items is a capital expenditure?

A. Maintenance of office machine.

B. Purchase of office machinery

C. Purchase of office stationery.

D. Carriage inwards.

38 The corresponding entry of personal accounts found in the debit side of the cash book is to ___.

A. credit the ledger.

B. credit real accounts.

C. debit real accounts.

D. debit the ledger.

39 The formula for calculating depreciation using straight line method is

A. $\frac{\text{Scrape Value + Sales}}{\text{Useful life}}$

B. $\frac{\text{Sales}-\text{Scrape Value}}{\text{Useful life}}$

C. $\frac{\text{Cost}-\text{Scrape Value}}{\text{Useful life}}$

D. $\frac{\text{Purchases+Sales}}{\text{Useful life}}$

40 The major focus of the trading account is to show ___.

A. net profit.

B. total purchases.

C. gross margin.

D. total sales.

ANSWER KEYS:

1. A **2.** B **3.** C **4.** D **5.** B **6.** C **7.** A **8.** D **9.** C **10.** B **11.** B **12.** A **13.** B **14.** C **15.** A **16.** B **17.** B **18.** A **19.** B **20.** A

21. C **22.** A **23.** C **24.** A **25.** C **26.** A **27.** B **28.** A **29.** A **30.** B **31.** A **32.** C **33.** A **34.** D **35.** B **36.** A **37.** B **38.** A **39.** C **40.** C

2017 JAMB ACCOUNTS QUESTIONS

1. The major distinguishing element between the final account of a partnership and a sole trader is the

A. drawing
B. creditors account
C. appropriation account
D. capital account

2. Goodwill appears in the books of a business only if it has been

A. raised in connection with the admission of a new partner
B. purchased at a certain price if it has been raised
C. raised to account for the true value of a business on the death of a partner
D. raised in other to prevent the balance sheet showing that the business is insolent

3. A payment of cash of ₦20 to john was entered on the receipts side of the cash book in error and credited to john's account. Which of the following journal entries can be used to correct the error

A. John ₦40 Dr, cash ₦40 Cr
B. cash ₦40 Dr, john ₦40 Cr
C. cash ₦20 Dr, john ₦20 Cr
D. john ₦20 Dr, cash ₦20 Cr

4. The following represents extracts from the trading account of a retail outlet for a retail outlet for a given month:

	₦
Opening stock	2400
Closing stock	6400
Other expenses	2000
Sales	11000
Profit	900

What is the purchase figure for the month?

A. ₦13 000
B. ₦11 000
C. ₦12 000
D. ₦12 000

5. Subscription relating to the accounting to the accounting year 1993 in the income and expenditure account is __.

A. ₦14,300
B. ₦13,400
C. ₦15,050
D. ₦14, 550

6. Accumulated fund on 1st January 1993 is __.

A. ₦8,570
B. ₦7, 520
C. ₦8, 470
D. ₦7,850

7. Sobande incorporation acquired a machine that involved the following expenditures and related factors.

	₦
gross invoice price	15,000
sales tax	900
purchases discount taken	300
freight	750
assembly of machines	500
installation of machines	800
assorted spare parts for future use	1200
turning and adjusting machines	700
gross invoice price	15,000

What is the initial accounting cost of the machine?

A. ₦17, 500
B. ₦18, 350
C. ₦19, 550
D. ₦18, 950

8. A pottery company had sales of ₦176,000 during the current period and a gross profit rate of 40% the company cost of merchandise for sale during the period was ₦128,000. The company's ending inventory is

A. ₦76 800
B. ₦51300
C. ₦32,000
D.₦22400

Use the information below to answer questions 9 and 10.

Zoom Plc balance sheet [extract] as at 31st December, 1997

	₦		₦
Paidup capital	200,000	Fixed assets	300,000
Share Premium	15,000		
Profit and loss account	60,000	Investments	180,000
Longterm Loan		Stock	28,000
		Debtors	90,000
Creditors	200,000	Provision	(3,000)
			87,000
Other Current Liabilities	100,000	Cash	60,000
		Bank	100,000
	100, 000		**100, 000**

9. The quick ratio is __

A. 0.95:1

B. 0.82:1

C. 1:53:1

D. 0.91:1

10. Determine the owners' equity

A. ₦275,000

B. ₦755,000

C. ₦200,000

D. ₦215,000

Use the information below to answer questions 11 and 12.

	₦
Cost of raw materials consumed	300, 600
Returns of raw materials	6,700
Closing stocks of raw materials	100,250
Manufacturing wages	27,000

Lighting, power, insurance and rent relating to the factory are apportioned 1/3, 2/5, 1/6 and 1/7 with totals ₦30,000; ₦75,000; ₦36,000 and ₦56,000 respectively.

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11. What is the cost of the opening raw materials?

A. ₦400,250
B. ₦398,250
C. ₦404,950
D. ₦418,350

12. The production cost of finished goods is __.

A. ₦408,600
B. ₦381,000
C. ₦327,600
D. ₦54,600

Use the information below to answer questions 13 and 14.

	₦
Subscriptions received during the year	**30,000**
Subscriptions owed last year	**4,000**
Subscriptions received for next year	**6,000**

13. The ₦6,000 subscription received is

A. capital
B. fixed asset
C. current asset
D. current liability

14. What is the subscription to be charged to income and expenditure account?

A. ₦20,000
B. ₦30,000
C. ₦34,000
D. ₦36,000

Use the information below to answer questions 15 and 16.

Erero's Trading Account for the month ended 31/05/2001.

₦	₦	₦	
Opening Stock	45000	Sales	161000
	110000	Less returns	4000
	6000		
	104000		157000
	149000		

Less closing stock	???	
Cost of sales	???	
Gross profit	???	
	157,000	157,000

The gross profit ratio for the company is 25%.

15. If the total expenses is ₦20 845, what will be the net profit for the company during the month?

A. ₦18405
B. ₦21655
C. ₦19149
D. ₦16168

16. The closing stock for this company is ___.

A. ₦72 000
B. ₦42 500
C. ₦31 250
D. ₦45 000

Use the information below to answer questions 17 and 18.

	₦
Capital	24,000
Land and building	18,470
Mortgage on premises	11,090
Drawings	3,000
Profit and Loss	3,600
Furniture and fittings	5,120
Motor Vehicles	3,462
Closing Stock	3,000
Debtors	11,474
Creditors	7354
Cash	1,518
	46,044

17. What is the capital employed?

A. ₦44 600
B. ₦43 052
C. ₦38 600
D. ₦43 044

18. Calculate the value of fixed assets.

A. ₦15 992
B. ₦18 470
C. ₦27 052
D. ₦27 000

Use the information below to answer questions 19 and 20.

	Dept S	Dept T	Total
	₦	₦	₦
Gross profit b/d	6,000	4,000	10,000
Less:			
Salaries and Wages	1,800	1,200	3,000
Electricity	?	?	2,000
Depreciation	600	?	1,000
Net Profit	?	1,600	4,000
	6,000	4,000	10,000

It is the tradition of the organization to apportion expenses in the proportion 60%: 40% for S and T respectively.

19. What is the net profit made by department S?

A. ₦2,000
B. ₦3,000
C. ₦3,600
D. ₦2,400

20. The depreciation to be charged to department T is __.

A. ₦400
B. ₦300
C. ₦500
D. ₦600

21. Given:

	Jan. 2003	Dec. 2003
	₦	₦
Provision for bad debts	1 000	
Debtors		20 000
Bad debt to be written off		2 000

The provision for bad debt stands at 10% of debtors. How much is to be charged to profit and loss account as provision for bad debt?

A. ₦800
B. ₦2 000

C. ₦1 000
D. ₦1 800

22. Goods withdrawn from for private use are credited to __.

A. Purchases
B. Drawing
C. Sales
D. Capital

23. Stationery which will be used for a long period of time is usually recorded as an expense instead of an asset. This concept is called __.

A. Entity
B. Realisation
C. Accrual
D. Materiality

24. Adaobi mistakenly entered ₦7,000 as credit in Abba's account instead of Baba's account this is __.

A. An error of principles
B. An error of commission
C. A compensating error
D. An error of omission

25. The gross profit disclosed in the branch stock adjustment account represents __.

A. Branch profit
B. Estimated profit
C. Unrealized profit
D. Head office profit

26. Partner's share of profit is credited to __.

A. The profit and loss appropriation account
B. The profit and loss account
C. A partner's current account
D. A partner's capital account

Use the information below to answer questions 27 and 28.

	₦
Stock of material 1/1	10 000
Purchase of raw materials	160 000
Manufacturing wages	420 000
Royalties	3 000
Stock of raw materials 31/12	14 000

27. What is the cost of raw materials consumed?

A. ₦156 000
B. ₦173 000
C. ₦170 000
D. ₦160 000

28. Calculate the prime cost.

A. ₦597 000
B. ₦567 000
C. ₦57 9000
D. ₦576 000

Use the information below to answer questions 29 and 30.

Jan. 1	Received 1,000 units at	₦10 each
Jan. 2	Received 2,000 units at	₦12 each
Jan. 3	Issued 1,500 units	
Jan. 4	Received 1,000 units at	₦11 each
Jan. 5	Issued 1000 units	

29. Using FIFO method, what is the value of the closing stock?

A. ₦17 000
B. ₦29 000
C. ₦34 000
D. ₦12 000

30. What is the value of closing stock using simple average?

A. ₦11 500
B. ₦17 000
C. ₦28 500
D. ₦17 500

31. The gross loss on manufacturing is always transferred to the ___.

A. credit side of the balance sheet
B. credit side of the profit and loss account
C. debit side of the balance sheet
D. debit side of the profit and loss account

32. The depreciation on a motor vehicle that is being used for manufacturing and administration is charged to the ___.

A. Debit side of the manufacturing and profit and loss account

B. Credit side of profit and loss account only

C. Debit side of manufacturing and balance sheet

D. Debit side of the profit and loss account only

33. In bank reconciliation process, discrepancies caused by timing arises as a result of __.

A. bank statement only

B. cash book and bank statement

C. cash book, bank statements and incidental records

D. cash book only

34. The process of reconciling cheque between banks termed cheque __.

A. truncation

B. clearing

C. holding

D. confirmation

35.

Cash Book (Extract)

	₦		₦
Balance b/f	2,200	Sundry Expenses	16,800
Receipt from Customers	1600	Drawings	4,700
		Suppliers	7,300

Debtors opening and closing balances amount to ₦6 500 and ₦7,600 respectively. What is the sales value?

A. ₦17 500

B. ₦29 400

C. ₦31 600

D. ₦15 300

36. Given:

	₦
Fixtures	**30,000**
Debtors	**7,000**
Stock	**8,000**
Creditors	**3,000**
Goodwill	**10,000**

Determine the capital

A. ₦10,000

B. ₦42,000

C. ₦52,000

D. ₦15,300

Use the information below to answer questions 37 and 38.

	₦
Sales	232,000
Opening stock	28,000
Purchases	128,000
Carriage inwards	4,000
Carriage outwards	6,000
Closing stock	10,000
Discount received	18,000
Expenses	20,000

37. Calculate the gross profit.

A. ₦100 000

B. ₦86 000

C. ₦76 000

D. ₦82 000

38. Calculate the expenses debited to the profit and loss account.

A. ₦17 000

B. ₦23 000

C. ₦30 000

D. ₦26 000

Use the information below to answer questions 39 and 40.

Income and Expenditure (Extract)

	₦		₦
Bal. b/d	390	Expenses on cleaning	300
Sales of tickets	4,000	New tool	50
Donations	3,000	Repairs	400
Subscriptions	6,500	Electricity	350

39. What is the total income for the period?

A. ₦13 500

B. ₦13 890

C. ₦9 500

D. ₦10 500

40. What is the balance carried down?

A. ₦12 330

B. ₦13 430

C. ₦11 680

D. ₦11 930

ANSWER KEYS:

1. B **2.** A **3.** D **4.** C **5.** A **6.** B **7.** B **8.** D **9.** A **10.** C **11.** C **12.** B **13.** D **14.** A **15.** A **16.** C **17.** D **18.** C **19.** D **20.** A

21. B **22.** A **23.** D **24.** B **25.** A **26.** C **27.** A **28.** C **29.** A **30.** C **31.** D **32.** D **33.** B **34.** B **35.** A **36.** C **37.** D **38.** D **39.** B **40.** A

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2018 JAMB ACCOUNTS QUESTIONS

1. Kayode, Akpan and Kachalla are in partnership. Their respective capital accounts had the following balances: ₦40 000, ₦50 000 and ₦70 000. The partners agree to admit Wamo as a new partner with a one-fifth interest in the partnership capital in exchange for ₦50 000 cash. Wamo's equity in the resulting partnership is __.

A. ₦40 000
B. ₦50 000
C. ₦40 000
D. ₦42 000

2. Under which of the following conditions is a partnership dissolved?

A. Admission of a new partner
B. Change of the partnership's head office
C. Purchase of a large quantity of fixed assets
D. Retirement of a manager who is not a partner.

3. Adama's bank account showed an overdraft of ₦600 on 31st March. Ongoing through the account, it was discovered that the ₦1 080 paid into the account on 29th March has not been credited. What should be the balance is Adama's cash accounts?

A. ₦1 680 Dr.
B. ₦1 080 Cr.
C. ₦480 Cr.
D. ₦600 Dr.

4. Why are adjustments in the profit and loss account necessary?

A. To cover some expenses of the following year
B. To show the provisions made during the year
C. To show the total expenses paid and income received during the year
D. To ascertain the actual expenses incurred and income earned during the year.

Use the information below to answer questions 5 and 6.

Udoh Trading Company Balance Sheet as at 31st December,1992

	₦		₦
Capital	39 000	Land	20 000
Long-term Loan	15 000	Building	30 000
Creditors	9 000	Stock	4 000
		Debtors	6 000
Accrued wages	5000	Cash	8 000
	68 000		68 000

5. What is the working capital?

A. ₦11 000
B. ₦8 000
C. ₦4 000
D. ₦12 000

6. The acid test ratio in the company is __.

A. 1:1
B. 2:3
C. 1:2
D. 3:2

Use the information below to answer questions 7 and 8.

Wazobia Enterprises Balance Sheet as at 1/1/95

Liabilities	₦	Assets	₦
Capital	40,000	Furnishings	10,000
		Ceiling fan	1,500
		Cash in Hand	28,500
	40,000		40,000

If at 31/1/95 the following information was ascertained (i) Rent for shop ₦12 000 paid for that year (ii) Total purchases ₦15 000 (iii) Total sales ₦8 200 (iv) Stock of goods left ₦10 000 (V) Paid Sales boy ₦500.

7. What is the new balance sheet total as at 31/1/95?

A. ₦40 000

B. ₦41 500
C. ₦41 700
D. ₦48 500

8. What is the balance on its cash account as at 31/a/95?

A. ₦22,800
B. ₦9.200
C. ₦800
D. ₦21 120

9. Calls in advance are treated in the balance sheet as ___.

A. current asset
B. fixed asset
C. current liability
D. fixed liability

10. Shares issued to a vendor in payment of business purchased would require a debit to ___.

A. cash account and credit to share capital account
B. share capital account and credit to vendors
C. share capital account and credit to cash account
D. vendor's account and credit to share capital account

Use the information below to answer questions 11 and 12

Rakiya and Joy are in partnership and agreed that 5% interest per annum is to be charged on drawings. The drawing made by both partners in one year were: Rakiya, ₦200 on March 31st and ₦300 on September 30th. Joy, ₦100 on April 1st and ₦240 on July 1st.

11. The interest Joy's drawing is___.

A. ₦511.25 debit
B. ₦500.00 credit
C. ₦349.75 credit
D. ₦340.00 credit

12. Assuming that Rakiya was not credited with any income during

the period. What is her closing current account balance?

A. ₦340.00 credit
B. ₦500.00 credit
C. ₦340.75 debit
D. ₦511.25 debit

13. To account for expenses paid by head office on behalf of the branch, the branch should__.

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

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

A. Accountant general
B. Finance Minster
C. Auditor General
D. Permanent Secretary

Use the information below to answer questions 15 and 16.

Adex Ltd. issues stock to its retail branches at cost price. The following particulars relate to Ede branch.

	₦
Stock at branch 1st January at cost	400
Goods sent to branch at cost	8000
Returns to head office	340
Cash sales	9160
Stock at branch 31st December at cost	720

15. What is the gross profit carried to the profit and loss account?

A. ₦1870
B. ₦1530
C. ₦1640
D. ₦1820

16. Calculate the cost of goods credited to the head office trading account.

A. ₦7200
B. ₦7460
C. ₦7500
D. ₦7660

17. Advertising expenses incurred on a product in a business organization should be charged to __.

A. sales department
B. production department
C. Purchases department
D. administration department

18. Four broad classifications of overheads are __.

A. production, selling, distribution and material
B. selling, distribution, production and wages production
C. selling, distribution and administration
D. distribution, selling, administration and materials

19. Transfers from the head office to branches are best carried out at __.

A. cost price
B. cost plus mark-up
C. selling price
D. market price

20. On dissolution, the final distribution of cash to partners is based on __.

A. partnership agreement
B. capital, balances
C. goodwill
D. Articles of Association

21. In reconciling the branch and head office accounts, remittance in transit in the branch books is treated as a __.

A. debit entry
B. contra entry
C. credit entry

D. reversal entry

22. Profit or loss in a partnership is usually arrived at after deducting from gross profit all expenses including __.

A. partners' salaries
B. interest on capital
C. interest on loans
D. partners' drawings.

23. Departmentalization of accounts is useful because it shows the __.

A. overall performance of a division
B. cost per unit of a profit
C. price per unit of a product
D. overall performance of a firm

24. When goodwill is not retained in the business. the entries in the new partners' books will be to debit __.

A. good account and credit partners' capital account
B. cash account and credit partners' capital account
C. goodwill account and credit cash account
D. partners' capital account and credit goodwill account.

Use the information below to answer questions 25 and 26.

	₦
Balance as per cash book	13,560
Unpresented cheques	5 120
Uncredited lodgments	2 300
Dividend received not entered in the cash book	2 000
Bank charges	280
Standing order payments	600
Balance as per bank statement	?

25. Calculate the balance in the bank statement.

A. ₦10740
B. ₦ 11 860
C. ₦16 380
D. ₦17500

26. What is the adjusted cash book balance?

A. ₦15 560
B. ₦14 680
C. ₦16 440
D. ₦17 000.

Use the information below to answer questions 27 and 28

Departmental Trading Account (Extract)
Total () 1-otal A- Stock 3000 2000 1000 Sales 10000 G 000 4000
Purchases 4000 2500 1500
Closing stock 2000 1500 500
Goods worth ₦300 was transferred from department Q to P. Similarly. P's total expenses for the period was ₦200.

27. What was department Q's gross profit?

A. ₦2 500
B. ₦2 200
C. ₦2 300
D. ₦1700

28. Department P"s net profit was

A. ₦2 500
B. ₦2 800
C. ₦3 000
D. ₦5 200

29. Which of the following is a common cause of a discrepancy between head office and branch trial balance?

A. Stock and prepayment
B. Creditors and cash in transit
C. Stock and cash in transit
D. Debtors and cash in transit.

30. Sule and Ahmed are in partnership sharing profits and losses equally. If Khadija is admitted as a new partner to take $1/5th$ as her share. What is the new profit or loss sharing?

A. Sule 1/3, Ahmed 1/3 and Khadija 11/3

B. Sule2/5, Ahmed 2/5 and Khadija 1/5

C. Sule 1/5, Ahmed 1/5 and Khadija 3/5

D. Sule 2/5, Ahmed 1/5 and Khadija 2/5

31. The prime cost is the total of the

A. production cost + selling expenses

B. administrative expenses + selling + distribution expenses

C. direct materials + work overhead expenses

D. direct material + direct labour + direct

32. In the not-for-profit-making organization, the excess of income over expenditure is__.

A. deducted from the capital

B. added to the capital

C. added to the accumulated fund

D. deducted from the accumulated fund

Use the information below to answer questions 33 and 34.

Trading account for the year ended 31st December 2009

	₦		₦
Opening stock	32,000	Sales	48,000
Purchases	40000	Less returns	2,000
Carriage Inwards	1 000		
	41 000		
Less returns	2 000		39,000
Cost of goods available for sale		??	
Less closing stock		9000	
Cost of goods sold		??	

33. Find the average stock for the period.

A. ₦20 500

B. ₦23 000

C. ₦28 000

D. ₦27 000

34. Calculate the cost of goods sold.

A. ₦61 000
B. ₦62 000
C. ₦58 000
D. ₦57 000

35. In the head office ledger, the value of goods sent to the branch are__.

A. debited to the branch current account
B. debited to the head office current account
C. credited to the head office current account
D. credited to the branch current account

36. Which of the following methods of invoicing goods to branches facilitate easy checks on the activities of branches?

A. selling price
B. fixed percentage on cost
C. cost price
D. invoice price

37. The amount paid by the new partner on admission as a compensation for the reputation built up by old pant is a __.

A. bonus.
B. goodwill
C. premium
D. commission.

38. A partnership's internal regulations are set out by __.

A. a constitution
B. a law
C. a deed.
D. D. an article

39. In the absence of a partnership deed, the act stipulates that __.

A. an amount should be fixed as salary for partners
B. profits and losses should not be shared equally

C. interest on partners loan should be 25%.

D. interest should not be allowed on partners drawing

40. The profit of a branch is usually credited to the ___.

A. branch office goods account

B. head office sales

C. adjustment account.

D. head office current account.

ANSWER KEYS

1. B **2.** A **3.** C **4.** D **5.** A **6.** C **7.** D **8.** B **9.** C **10.** D **11.** A **12.** B **13.** A **14.** C **15.** D **16.** D **17.** A **18.** C **19.** B **20.** B

21. B **22.** C **23.** A **24.** D **25.** D **26.** B **27.** C **28.** A **29.** D **30.** B **31.** D **32.** C **33.** A **34.** B **35.** B **36.** C **37.** B **38.** C **39.** B **40.** A

APPRECIATION

If you found these past questions **helpful**, here are some ways you can **contribute** to the exam success of other TOPPERS:

- **Correct an error** in this past question
- **Update** this past question
- **Submit a past question** for another subject

Are you interested in contributing?

Yes, I am!

