

ACC 102 Questions and answers

1. Given the following:

Plant and machinery N500000, Furnitures and fittings N350000, Creditors N150000, Debtors N200500, inventories N100000, Bills payable N350000, purchase consideration N1000000. Determine the goodwill.

A. N349500 B. N550000 C. N1000000 D. N550500

A. Ans

2. The excess of Assets over liabilities in purchase of business is called_____

A. Purchase consideration B. Net assets C. Goodwill D. Capital reserve.

C. Ans

3. A machine was bought for N2,500,000. The carrying amount after 2 years is N1,800,000, of which it was disposed N2,000,000. How much is the accumulated depreciation?

A. N500,000 B. N700,000 C. N1,800,000 D. 200,000

B. Ans

4. A machine was bought for N2,500,000. The carrying amount after 2 years is N1,800,000, of which it was disposed N2,000,000. How much is the profit/loss on disposal?

A. N500,000 profit B. N500,000 loss C. N200,000 profit D. N2,000,000 profit

C. Ans

5. Plant and machinery N500000, Furnitures and fittings N350000, Creditors N150000, Debtors N200000, inventories N100000, Bills payable N350000, bills

receivable N500000. What is the value of net assets?

A. N500,000 B. N1,150,000 C. N650,000 D. None of the above.

A. Ans

6. Subscription in advance is a _____ to a not for profit making organization.

A. Current asset B. Fictitious asset C. Current liability D. Non-current asset

C. Ans

7. Direct material is equivalent to _____

A. Prime cost B. Cost of raw materials available for consumption C. Cost of raw materials consumed C. Direct cost

C. Ans

8. Rent received for the year 2022 amounted to N40,000. Also, rent received in respect of 2023 amounts to N5,000, and N1,000 was received for 2021 rent. How much is the total rents recorded in the cash book?

A. N34,000 B. N40,000 C. N45,000 D. N46,000

D. Ans

9. Subscription received during the year N230,000

Subscription owing for the year N30,000

Subscription owing of last year N10,000

Subscription paid in advance for the subsequent year N20,000

How much is the subscription to be recognized in income and expenditure?

A. N230,000 B. N260,000 C. N280,000 D. N290,000.

A. Ans

10. Income and expenditure is a _____ account.

A. Real B. Nominal C. Real and nominal D. Receipt and expenditure

B. Ans

11. Receipt and expenditure is equivalent to _____

A. Nominal account B. Income and expenditure account C. Trading, profit and loss account D. Cash book.

D. Ans

12. Which of the following CANNOT be found in a not for profit making organization statement of financial position;

A. Capital B. Subscription prepaid C. Bank D. Building

A. Ans

13. Plant and machinery N1,500,000, Furnitures and fittings N300,000, Creditors N150000, Debtors N200,000, inventories N100000, Bills payable N350000, purchase consideration N3,000,000. What is the value of goodwill/capital reserve?

- A. N349,500 (goodwill)
- B. N1,400,000(goodwill)
- C. N3,600,000(goodwill)
- D. N3,600,000(capital reserve)

B. Ans

14. One of the following is not an intangible asset;

A. Patent B. Goodwill C. Trademark D. Investment

D. Ans

15. The following are not liability EXCEPT _____

A. Debtor B. Capital reserve C. Bills receivable D. Goodwill

B. Ans

16. One of the following is not a method of depreciation.

- A. Straight-line method B. Reduction method C. Sum of the year digit method
D. Machine hour method E. None of the above

B. Ans

17. A seller of a business is called _____

- A. Purchaser B. Supplier C. Vendor D. Creditor

C. Ans

18. A motor van was bought on 1/2/2017 at N500,000, this motor van was disposed in 30/6/2020 at N350,000. If the motor van depreciates yearly using reducing balance method at 20%, how much is the profit on disposal?

- A. N206,667 B. N293,333 C. N288,000 D. N56,667

D. Ans

19. A motor van was bought on 1/2/2017 at N500,000, this motor van was disposed in 30/6/2020 at N350,000. If the motor van depreciates yearly using reducing balance method at 20%, how much is the accumulated depreciation up to the day of disposal?

- A. N206,667 B. N293,333 C. N288,000 D. N56,667

A. Ans

20. A motor van was bought on 1/2/2017 at N500,000, this motor van was disposed in 30/6/2020 at N350,000. If the motor van depreciates yearly using reducing balance method at 20%, how much is the carrying amount of the motor car as at when it was disposed?

- A. N206,667 B. N293,333 C. N288,000 D. N56,667

B. Ans

21. Total rent received during the year 2022 amounted to N40,000. Of which, rent received in respect of 2023 was N5,000, and N1,000 was received for 2021 rent. How

much will be recorded in the p&I?

A. N34,000 B. N40,000 C. N45,000 D. N46,000

A. Ans

22. The excess of purchase consideration over net assets is _____ \

A. Goodwill B. Capital reserve C. Partners' capital D. Cash

A. Ans

23. Given the following:

Opening inventory of r/m N180,000

cost of raw materials consumed N230,000

Direct labour N12,000

Direct expenses N15,000

Factory rent N12,000

Building N300,000

Depreciation on building__10% on cost

Plant and machinery N150,000

Depreciation on plant and machinery (1/3 of direct expenses)

Royalties N5,000

Opening w-l-p N50,000

Closing w-l-p N32,000.

Find the value of prime cost.

A. N442,000 B. N262,000 C. N17,000 D. N279,000 E. N297,000

B. Ans

24. Given the following:

Opening inventory of r/m N180,000

cost of raw materials consumed N230,000

Direct labour N12,000

Direct expenses N15,000

Factory rent N12,000

Building N300,000

Depreciation on building__10% on cost

Plant and machinery N150,000

Depreciation on plant and machinery (1/3 of direct expenses)

Royalties N5,000

Opening w-l-p N50,000

Closing w-l-p N32,000.

Find the value of factory overhead.

A. N442,000 B. N262,000 C. N17,000 D. N279,000 E. N297,000

C. Ans

25. Given the following:

Opening inventory of r/m N180,000

cost of raw materials consumed N230,000

Direct labour N12,000

Direct expenses N15,000

Factory rent N12,000

Building N300,000

Depreciation on building__10% on cost

Plant and machinery N150,000

Depreciation on plant and machinery (1/3 of direct expenses)

Royalties N5,000

Opening w-l-p N50,000

Closing w-l-p N32,000.

Find the value of total cost of production.

A. N442,000 B. N262,000 C. N17,000 D. N279,000 E. N297,000

E. Ans

26. Given the following:

cost of raw materials consumed N230,000

Direct labour N12,000

Direct expenses N15,000

Factory rent N12,000

Building N300,000

Depreciation on building__10% on cost

Plant and machinery N150,000

Depreciation on plant and machinery (1/3 of direct expenses)

Royalties N5,000

Opening w-l-p N50,000

Closing w-l-p N32,000.

Find the value of work cost.

A. N442,000 B. N262,000 C. N17,000 D. N297,000 E. None of the above

E. Ans

27. IAS 1 stands for_____

A. Preparation of Statement of profit or loss B. Presentation of Financial position statement C. Preparation of financial statement D. Presentation of financial statements.

D. Ans

28. Depreciation is charged to _____

A. All assets B. All current assets C. Assets and liabilities D. Only fixed assets

D. Ans

29. The major objective of manufacturing account is to determine_____

A. Manufactured goods B. Work cost of production C. Gross profit D. Total cost of production

D. Ans

30. Given that;

sales is N300,000

mark up is 20%, find the cost of sales.

A. N50,000 B. N350,000 C. N250,000. D. None of the above.

C. Ans

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