

KIIRA COLLEGE BUTIKI
Uganda Certificate of Education
PRINCIPLES OF ACCOUNTS
LOCK DOWN REVISION QUESTIONS

1. The ledger in which you would find drawing's account is;
 - (a) General ledger
 - (b) Nominal ledger
 - (c) Sales ledger
 - (d) Private ledger
2. A debtor earned an allowance of 2000 for settling a debt promptly. The correct accounting entries for the allowance given is;
 - (a) Debit cash book, credit debtor's account
 - (b) Debit debtor's account, credit cash book
 - (c) Debit debtor's account, credit discount allowed's account
 - (d) Debit debtor's account, credit discount allowed's account
3. Which of the following error is likely to affect the trial balance?
 - (a) Error of principle
 - (b) Omission of a balance
 - (c) Omission of a transaction
 - (d) Error of original entry
4. When there is an overdraft, a bank statement will show -----
 - (a) a debit balance
 - (b) a credit balance
 - (c) a debtor's balance
 - (d) a creditor's balance
5. Which of the following current accounts appear in the order of liquidity?
 - (a) Debtors, stock, bank, cash
 - (b) Stock, debtors, bank, cash

- (c) Cash, bank, debtor, stock
- (d) Cash, debtors, stock, bank

6. Which the of following statements best describes a balance sheet
- (a) A list of balances
 - (b) A statement of liabilities
 - (c) A list of closing entries
 - (d) A trial balance after the last book-keeping entry
7. Debit balances in accounts represents
- (a) Assets only
 - (b) Assets, expenses, or losses
 - (c) Losses only
 - (d) Expenses only
8. When a given expenditure is capitalized, it will be
- (a) Shown in profit and loss account
 - (b) Shown as a balance sheets item.
 - (c) Shown both in the profit and loss accounts , and the balance sheet
 - (d) Shown both in the sales and profits, and loss account.
9. John is to transfer Journal entries into the ledger. This process is referred to as;
- (a) Journalizing
 - (b) Balancing
 - (c) Posting
 - (d) Columnning
10. A -----is used for depositing money onto a current account.
- (a) pass book
 - (b) paying in slip
 - (c) cheque
 - (d) advice note

11. A current liability is the indebttness of -----to-----
- (a) Business, outsiders
 - (b) Owners, business
 - (c) Outsiders, business
 - (d) Owners, insiders
12. A surplus is calculated in the ---
- (a) Profit and loss account
 - (b) Trading account
 - (c) Income and expenditure account
 - (d) Receipts and payment account
13. Customers” accounts are formed in
- (a) Sales ledger
 - (b) General ledger
 - (c) Purchases ledger
 - (d) Borrowed ledger
14. Which one of the following documents would be sent to a customer when the suppliers documents that some of the goods taken had been omitted during the calculation of amounts are?
- (a) Credit note
 - (b) Aim invoice
 - (c) Debit note
 - (d) Standing order
15. Which of the following errors will the trial balance not disclose?
- (a) Errors of transcription
 - (b) Miscast in figures
 - (c) Reversal of entries
 - (d) Miscalculation of balances
16. Which one of the following will be included in the trading account of a shopkeeper?
- (a) Carriage inwards

- (b) Electricity bill
- (c) Accountants' fee
- (d) Carriage outwards

17. Which one of the following may not be a good reason for returning goods by a customer?

- (a) faulty design
- (b) obsolescence
- (c) damage in transit
- (d) demand is low

18. What does purchases journal record?

- (a) Only cash purchases
- (b) only credit purchases
- (c) only purchases of fixed assets
- (d) Only cash and credit purchases

19. Which of the following are the real accounts?

- (i) Wages
- (ii) Debtors
- (iii) Creditors
- (iv) Building
- (a) (i) & (iii)
- (b) (ii) & (iv)
- (c) (i) & (ii)
- (d) (iv) only

20. The capital account is a(an)

- (a) real
- (b) asset
- (c) personal
- (d) nominal

SECTION B (80 marks)

21. (a) (i) Define the term depreciation. (03mrks)
 (ii) Give any four cause of depreciation. (04mrks)
 (iii) Mention two methods commonly used for calculating depreciation (02mrks)
- (b) Okello transporters bought a bus at a cost of shs150,000,000 by cash On 1st may 2014.
 The bus was estimated to have a scrap value of shs75,000,000 after a period of 10years.
 Show the following accounts for the first three years;
- (i) Bus account (04mrks)
 (ii) Provision for depreciation on bus account (04mrks)
 (iii) Depreciation account (03mrks)
22. Jane and Stephen are in partnership business. Their partnership agreement provided the following;
- (i) Share of profits and losses in proportion to their capitals
 (ii) 4% p.a interest is allowed on partners capital
 (iii) 3% p.a interest is charged on partner's drawings.
 (iv) Jane allowed a salary of shs1,500 per month
- The following information is available as;
- | | |
|---------------------|---------|
| Net profit | 802,500 |
| Furniture | 360,000 |
| Debtors | 210,000 |
| Creditors | 75,000 |
| Cash at bank | 150,000 |
| Prepaid electricity | 7,500 |
| Motor vehicles | 450,000 |
| Capitals; | |
| Jane | 210,000 |
| Stephen | 150,000 |
| Current accounts; | |
| Jane | 30,000 |
| Stephen | 45,000 |
| Drawings; | |
| Jane | 75,000 |
| Stephen | 30,000 |
- Required:
- (a) Appropriation account (08mrks)
 (b) Partners current account (12mrks)

23. (a) Explain any six errors not revealed by the trial balance. (06mrks)

(b) The following errors had been made and later discovered after a thorough search was made.

(i) A sale of goods to Menya Alex worth shs35,000 was debited to General expenses account.

(ii) A withdrawal of cash shs63,000 by the owner was debited to a customer's account.

(iii) Purchase of office furniture for shs120,000 was posted to office expenses account.

(iv) A payment of shs1000 to Wava for stationery previously supplied was debited to the stationery account.

(v) A payment for electricity was not recorded in the electricity account of shs117,000

(vi) A discount allowed to mukama was credited to the discount allowed account shs29,000

Required:

Journal entries to correct the above entries. (14mrks)

24. The following trial balance was extracted from the books of Azamu ltd, a sole trader, as at 31.12.2016.

Particular	DR(shs)	CR(shs)
Capital		185,360
Purchase/Sales	465,000	609,000
Repairs	9,500	
Motor Vehicle	18,950	
Car expenses	3,480	
Buildings	100,000	
Bank	5,400	
Furniture	14,000	
Salaries and wages	86,100	
Discount allowed	10,610	
Drawings	24,000	
Provision for doubtful debts		1,400
Debtors/creditors	52,130	40,350
Stock	63,000	
Discount received		18,660
	852,770	852,770

Additional information;

- (i) Stock on 31.12.2016 was shs98,000.
- (ii) Provision for bad debts and doubtful debts should be adjusted to shs1000
- (iii) The proprietor withdrew goods worth shs2000 from the business for personal use, no entries were made.
- (iv) Depreciate motor vehicles by shs3,900 and furniture by 10%.

Required:

Prepare trading, profit and loss accounts and a balance sheet as at that date.

25. (a) Give two reasons why it is necessary for businessman to prepare a balance sheet. (02mrks)

(b) Below is a list of a balance extracted from the ledger of Dan as at 31.12.2012

Cash in hand	90,000
Vehicle	120,000
Drowings	65,000
Capital	330,000
Stock(31.12.2012)	60,000
Furniture	80,000
Building	85,000
Bank over draft	50,000
Creditors	50,000
Debtors	80,000
Land	80,000
Short term loans	70,000
Cash at bank	230,000
Long term loans	115,000
Cash at bank	50,000

(i) Prepared a suitable balance sheet using only the relevant balances.

(8 marks)

(ii) find

- (a) Gross capital employed. (04 marks)
- (b) Net worth of the business (04marks)
- (c) Working capital (02 marks)