

0705/1/2022

Accounting

AL

SOUTH WEST REGIONAL MOCK EXAMINATION GENERAL EDUCATION

The Teachers' Resource Unit (TRU) in collaboration with the Subject Teachers' Association (STA)	Subject code 0705	Paper number 1
CANDIDATE NAME CANDIDATE NUMBER CENTRE NUMBER	Subject title ACCOUNTING	
Advanced Level	DATE Friday 01/04/2022	

Time Allowed: One hour thirty minutes

INSTRUCTIONS TO CANDIDATES:

1. USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the Examination begins:

3. Check that this question booklet is headed "Advanced Level – 0705, Accounting Paper 1".
4. Insert the information required in the spaces provided above.
5. Without opening the booklet, pull out the answer sheet carefully from inside the front cover of this booklet. Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
6. Insert the information required in the spaces provided on the answer sheet using your HB pencil:

Candidate Name, Centre Number, Candidate Number, Subject Code Number and Paper Number

How to answer questions in this examination:

7. Answer ALL the 50 questions in this examination. All questions carry equal marks.
8. Non-programmable calculators are allowed. OHADA Accounting Plans are allowed.
9. For each question there are four suggested answers, A, B, C, and D. Decide which answer is correct. Find the number of the question on the Answer sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen. For example, if C is your correct answer, mark C as shown below:

(A) (B) (C) (D)

10. Mark only one answer for each question. If you mark more than one answer, you will score zero for that question. If you change your mind about an answer, erase the first mark carefully, and then mark your new answer.
11. Avoid spending much time on any question. If you find a question difficult, move to the next question. You can come back to this question later.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. Mobile phones are NOT ALLOWED in the examination room.
14. You must not take this booklet and answer sheet out of the examination room. All question booklets and answer sheets will be collected at the end of the examination

1. The following invoice was issued by XYZ to ABC Enterprise.

XYZ		Debit ABC Enterprise	
Gross amount			
Trade discount 10 %			
Commercial net			
VAT 19.25 %			
Net amount payable			429,300

The gross amount on the invoice is:

- A 400,000 CFAF
- B 460,746 CFAF
- C 477,000 CFAF
- D 360,000 CFAF

2. Which one of the following elements of salary does not appear in a worker's pay slip?

- A Benefit in kind
- B Basic salary
- C Overtime
- D Personal income tax

3. The minimum salary of a worker in Cameroon in accordance with Cameroon labour law irrespective of the nature of job is:

- A 28,218 CFAF
- B 36,270 CFAF
- C 62,000 CFAF
- D 50,000 CFAF

4. A worker with an hourly wage rate of 1,000 CFAF has put in 58 hours at work in a certain week. His overtime earned based on the normal system for the week is:

- A 9,600 CFAF
- B 10,400 CFAF
- C 22,800 CFAF
- D 21,600 CFAF

5. Transport equipment was bought on the 1st of January 2018 for 12,000,000 CFAF. It is estimated to last for 8 years with a scrap value of 3,000,000 CFAF. The constant method of depreciation is applied. What would be the accumulated depreciation by 31/12/2021?

- A 4,500,000 CFAF
- B 6,000,000 CFAF
- C 5,500,000 CFAF
- D 3,575,000 CFAF

6. On the 31/12/2019 before inventory, the following was extracted from SALA enterprise:

Fixed asset	Original value	Date of acquisition	Constant depreciation rate	Accumulated depreciation
Heavy truck	————	01/01/2015	5 %	2,625,000 CFAF

The original value of the truck is:

- A 13,125,000 CFAF
- B 2,265,000 CFAF
- C 5,555,500 CFAF
- D 10,500,000 CFAF

7. An equipment was acquired on the 01/04/2019 for 15,000,000 CFAF and was to be depreciated using the straight line method for 5 years. The first depreciation as at 31/12/2019 will be:

- A 3,000,000 CFAF
- B 2,250,000 CFAF
- C 2,000,000 CFAF
- D 4,500,000 CFAF

8. The minimum threshold of annual turnover for a trading entity to be classified under the standard system is:

- A 60,000,000 CFAF
- B 40,000,000 CFAF
- C 30,000,000 CFAF
- D 20,000,000 CFAF

9. The equipment bought on the 1/1/2019 at 2,000,000 CFAF has a net book value of 1,600,000 CFAF as at 31/12/2019. The difference of 400,000 CFAF represents:

- A Impairment
- B Provision
- C Depreciation
- D Amortisation

10. Equipment is bought for 4,000,000 CFAF and depreciated at the diminishing rate of 40 %. The accumulated depreciation before inventory at 31/12/2016 is 800,000 CFAF. Determine when the equipment was bought

- A 01/07/2015
- B 01/07/2016
- C 01/07/2014
- D 31/12/2014

11. The balance of account 521 ECOBANK shows a debit balance of 2,500,000 CFAF while the bank statement sent by ECOBANK shows an overdraft of 2,900,000 CFAF. This implies that:

- A The balance of 521 is more than that of bank statement
- B The balance of bank statement is more than that of account 521
- C That transactions are still on transit
- D More money was deposited in Account 521

12. Bank charges discovered in the bank statement are treated in the reconciliation statement as follows:

- A Debited in account 521 column
- B Credited in 521 column
- C Credited in bank statement column
- D Debited in bank statement column

13. A cheque received from a customer and sent for collection which has not gone through the banking system is known:
- A Unpresented cheque
 - B Uncredited cheque
 - C Dishonoured cheque
 - D Crossed cheque

14. Study the bank reconciliation statement below and point out the letter that represents a dishonoured cheque

Element	Bank Account		Bank Statement	
	Debit	Credit	Debit	Credit
Cheque	X	Y	Z	W

- A X
- B Y
- C Z
- D W

15. The following are financial statements prepared under the minimum cash flow system, EXCEPT:
- A Income statement
 - B Statement of financial position
 - C Statement of cash flow
 - D Accompanying notes to accounts

16. Which item will be entered in a purchase ledger control account?
- A Discount allowed
 - B Discount received
 - C Prepaid rents
 - D Return inwards

17. The following information concern a small business that keeps incomplete accounting records.
- Capital at the start: 2,000,000 CFAF
 - Owner's Drawings: 700,000 CFAF
 - Closing capital: 3,000,000 CFAF
- How much profit is made?
- A 3,000,000 CFAF
 - B 2,700,000 CFAF
 - C 1,700,000 CFAF
 - D 700,000 CFAF

18. Which of the following will appear on the statement of financial position as a current asset?
- A Accrued expenses
 - B Prepaid expenses
 - C Furniture and equipment
 - D Revenue in advanced

19. An extract of trial balance of A & Co. Ltd as at 31/12/2018 shows in (000 CFAF):
- | | |
|----------------------|--------------|
| Fixed assets: | 30,000 CFAF |
| Current asset: | 126,000 CFAF |
| Current liabilities: | 24,252 CFAF |
- The working capital and capital employed is:
- A 156,000 CFAF and 131,748 CFAF
 - B 101,748 CFAF and 131,748 CFAF
 - C 5,748 CFAF and 101, 748 CFAF

- D 131,748 CFAF and 156,000 CFAF

20. Given the following:

Cost of the asset	10,000,000 CFAF
Life span of asset	5 years
Net Book Value at end	500,000 CFAF
Disposal price	1,000,000 CFAF

Profit or loss from disposal will be:

- A Loss of 500,000 CFAF
- B Loss of 1,000,000 CFAF
- C Gain of 500,000 CFAF
- D Gain of 1,000,000 CFAF

21. According to International Financial Reporting Standards (IFRS), all of the following concepts are required for the preparation of financial statement, except:

- A Accrual concept
- B Prudence concept
- C Cash flow concept
- D Consistency concept

22. ALICO has provided you with the following balances for the year ended 31/12/2018

Detail	Debit	Credit
Opening stock	25,000	
Sales		250,000
Purchase of goods	120,000	
Return inward	10,000	
Return outward		15,000
Closing stock	30,000	

The cost of goods sold is?

- A 145,000 CFAF
- B 155,000 CFAF
- C 140,000 CFAF
- D 100,000 CFAF

23. Financial ratios calculated for the year ended 31/12/2018 is as follows:

Gross profit to sales ratio: 20%

Stock turnover ratio: 10 times

Gross profit: 2,500,000 CFAF

Credit sales: 1,500,000 CFAF and trade debtors are 2% of turnover.

The turnover is:

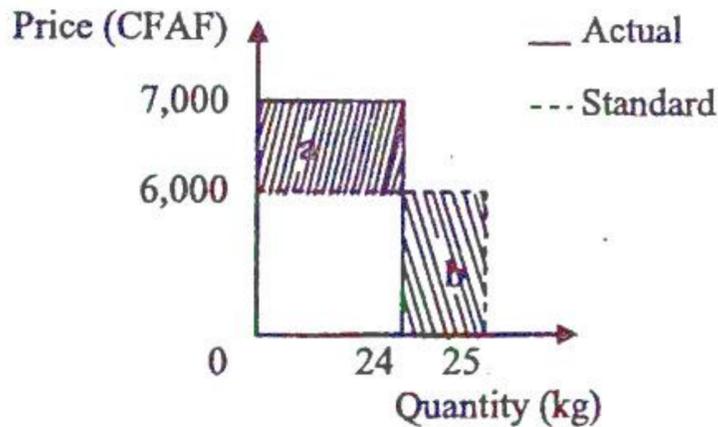
- A 1,250,000 CFAF
- B 12,500,000 CFAF
- C 12,000,000 CFAF
- D 3,000,000 CFAF

24. Using the information in question 23 above, the debtors' collection period is:

- A 42 days
- B 40 days
- C 61 days
- D 60 days

25. Which of the following items is treated in the income statement and in the balance sheet?
- Salary paid
 - Prepaid expenses
 - Rental income
 - Drawings

26. Study the rectangular graph below concerning material variance and answer the question that follows it.



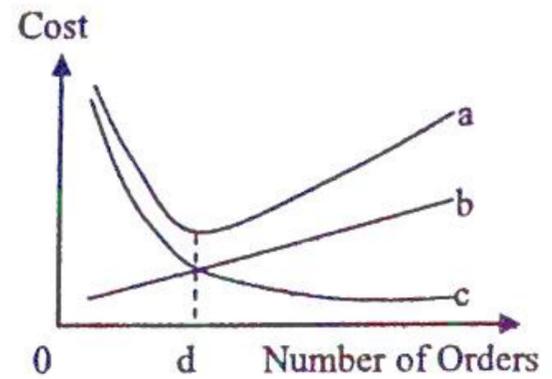
Based on the above graph, the material price variance is:

- 24,000 CFAF (Favourable)
 - 6,000 CFAF (Favourable)
 - 6,000 CFAF (Unfavourable)
 - 24,000 CFAF (Unfavourable)
27. What name is given to a cost that is incurred once and can no longer be changed or altered by any decision made now or in future?
- Prime Cost
 - Overhead Cost
 - Sunk Cost
 - Fixed Cost

28. The average consumption of a given material is 150 units per month. The price of each unit of the material is 320 CFAF. The ordering cost is 2,000 CFAF per order and the storage cost is 25% per annum. Determine the Economic Order Quantity (EOQ) of the materials.

- 300 units
 - 90,000 units
 - 87 units
 - 6 units
29. A firm, with no opening stock, purchases 100 units and 200 units at a total cost of 60,000 CFAF and 140,000 CFAF respectively in the month of January and February. If 250 units are sold in the month of March, find the value of the closing stock based on FIFO at the end of March.
- 30,000 CFAF
 - 35,000 CFAF
 - 33,333 CFAF
 - 175,000 CFAF

the graph of optional number of order below, state the letter which represents the storage cost.



- a
- b
- c
- d

31. A job initially scheduled for 40 hours was accomplished for 32 hours by a worker whose hourly wage rate is 3,200 CFAF. The worker benefit a Rowan Bonus on the job for time saved. What is the labour cost of the job?

- 122,880 CFAF
- 12,800 CFAF
- 148,480 CFAF
- 20,480 CFAF

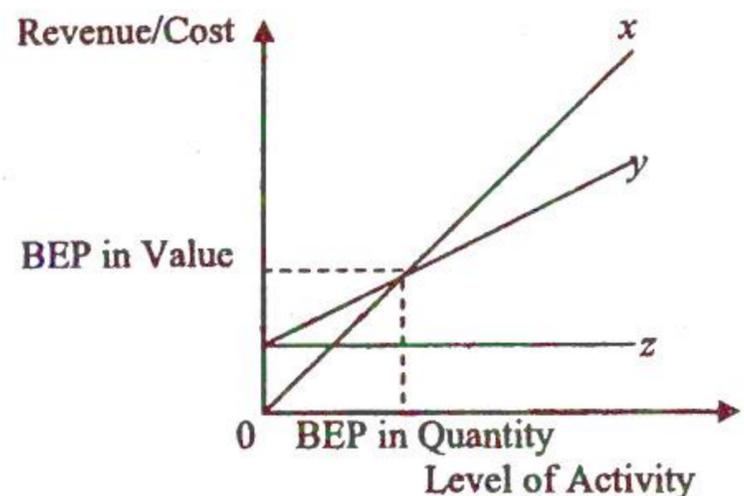
32. You have been given the following information:

- Budgeted overhead 300,000 CFAF
- Budgeted machine hours 60,000 hours
- Actual overhead 270,000 CFAF
- Actual machine hours 45,000 hours

Calculate the overhead over or under absorbed based on machine hours.

- 45,000 CFAF over-absorbed
- 45,000 CFAF under-absorbed
- 30,000 CFAF over-absorbed
- 30,000 CFAF under-absorbed

33. Study the break-even chart below and answer the question that follows it.



The line x on the break-even chart above represents:

- Total Variable Cost
- Total Fixed Cost
- Total Revenue
- Total Contribution

34. The formula used in calculating break-even point in quantity is given as:

- A $BEP = \frac{\text{Fixed Cost}}{\text{Contribution to Sales Ratio}}$
- B $BEP = \frac{\text{Fixed Cost} \times \text{Turnover}}{\text{Contribution}}$
- C $BEP = \frac{\text{Fixed Cost} \times \text{Selling Price}}{\text{Contribution Per Unit}}$
- D $BEP = \frac{\text{Fixed Cost}}{\text{Contribution Per Unit}}$

35. The selling price of a product is 100 CFAF and the total cost is given as y , where $y = 25x + 262,500$ and x is the quantity of product produced and sold. Determine the break-even point in quantity of the product.

- A 10,500 units
- B 2,625 units
- C 3,500 units
- D 350,000 units

36. The share capital account that has a right to statutory interest (first dividend) during profit appropriation is:

- A Account 1011 "Subscribed capital not called up"
- B Account 1012 "Subscribed capital called up but not paid"
- C Account 1013 "Subscribed capital called up and paid but not redeemed"
- D Account 1014 "Subscribed capital called up, paid and redeemed"

37. Before profit appropriation, the following balances are extracted from the balance sheet of a company as at 31/12/2021:

- Share Capital	15,000,000 CFAF
- Legal Reserves	2,500,000 CFAF
- Loss brought forward	1,000,000 CFAF
- Profit for the year	7,000,000 CFAF

The legal reserve to be endowed for the year ended 31/12/2021 is:

- A 2,500,000 CFAF
- B 500,000 CFAF
- C 600,000 CFAF
- D 700,000 CFAF

38. A company, with 7,000 shares of 10,000 CFAF each, distributes a total dividend of 14,000,000 CFAF and has endowed a total reserve of 7,000,000 CFAF. If the rate of interest is 10%, then the financial value of a share in the company is:

- A 20,000 CFAF
- B 30,000 CFAF
- C 140,000,000 CFAF
- D 10,000 CFAF

39. Study the balance sheet of DELTA Plc below and determine the mathematical value of a share in the company.

Balance Sheet of DELTA Plc

Assets	Amount 000CFAF	Liabilities	Amount 000CFAF
Fixed assets	35,000	Share capital	40,000
Current assets	20,000	Reserves	12,000
		Current liabilities	3,000
	55,000		55,000

The company has 4,000 shares of nominal value 10,000 CFAF each. Note that the depreciation on fixed assets is increased by 4,000,000 CFAF.

- A 12,000 CFAF
- B 13,000 CFAF
- C 14,250 CFAF
- D 13,250 CFAF

40. The value of a share in a company which is calculated based on the patrimony (balance sheet situation) of a company is known as:

- A Nominal Value
- B Financial Value
- C Profitability Value
- D Mathematical Value

41. The General Assembly that is in charge of drafting the statutes of a company and appointing the various management organs during the creation of the company is known as:

- A Annual General Assembly
- B Ordinary General Assembly
- C Constitute General Assembly
- D Extra-ordinary General Assembly

42. VENA Plc was created on 01/01/2020 with only cash shares such that a holder of 500 shares paid up her contribution by 80% though only 25% was called up and paid on 02/01/2020. Determine the nominal value of a share in VENA Plc based on the following balances extracted on 03/01/2020:

Account Number	Amount in CFAF
1011	39,000,000
1013	13,000,000
109	39,000,000
4616	3,575,000

- A 10,000 CFAF
- B 13,000 CFAF
- C 28,600 CFAF
- D 7,150 CFAF

43. VENANJE Ltd, with shares of nominal value 8,000 CFAF each, has summarised her balance sheet as follows:

Fixed and Current Assets: 121,000,000 CFAF	Net Asset	Equity: 90,000,000 CFAF
		Liabilities: 31,000,000 CFAF

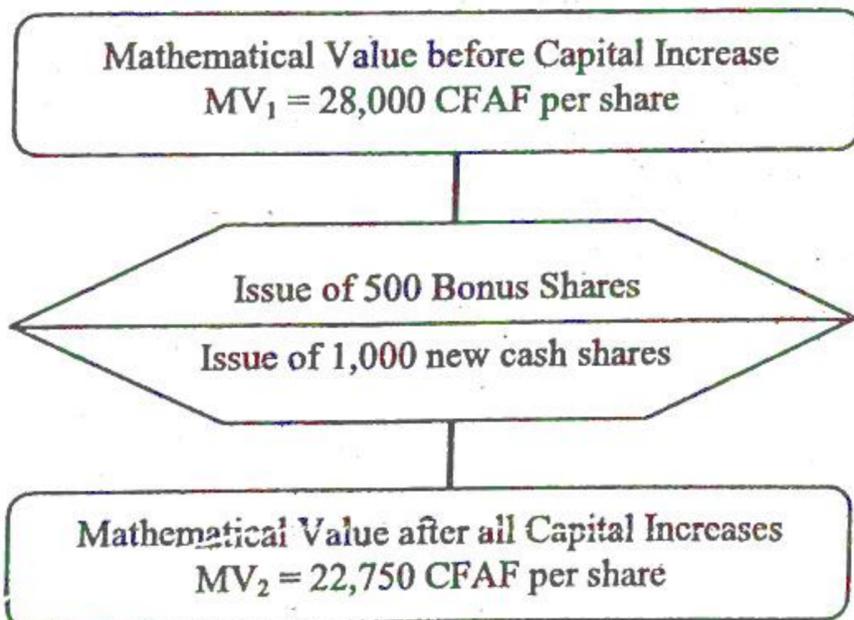
Given that the depreciation on fixed assets is increased by 1,000,000 CFAF and that the reserves and profits included in equity amount to 10,000,000 CFAF, find out the mathematical value of a share in VENANJE Ltd.

- A 11,250 CFAF
- B 11,125 CFAF
- C 8,900 CFAF
- D 7,781 CFAF

44. The net asset of EBOLA Plc drops to 370,800,000 CFAF after profit appropriation such that a gross dividend of 24,200,000 CFAF is to be paid to shareholders. If the company has 20,000 shares, calculate, for every share, the mathematical value cum-coupon.

- A 18,540 CFAF
- B 17,330 CFAF
- C 1,210 CFAF
- D 19,750 CFAF

45. WAAM Plc, with 2,500 shares of nominal value 20,000 CFAF each, decided to carry out a double capital increase as described by the diagram below:



Calculate the subscription right attached to every old share in WAAM Plc.

- A 5,250 CFAF
- B 4,550 CFAF
- C 700 CFAF
- D 9,100 CFAF

46. Use the information in Question 45 to calculate issue price of each new cash share issue WAAM Plc.

- A 9,625 CFAF
- B 11,375 CFAF
- C 21,000 CFAF
- D 20,000 CFAF

47. JASMIR holds 2,400 shares in AMINGO AMINGO Plc paid net dividends per share 12,525 CFAF. The income tax on security deducted at source for JASMIR will be

- A 5,940,000 CFAF
- B 30,060,000 CFAF
- C 36,000,000 CFAF
- D 4,959,900 CFAF

48. A company bought raw materials locally for 8,500,000 CFAF and paid a commission of 575,250 CFAF to the commission agent.

The exaggerated commission to be reinstated is

- A 575,250 CFAF
- B 150,250 CFAF
- C 425,000 CFAF
- D 7,924,750 CFAF

49. You are given the following information about SAMDARRA Ltd for the financial year ended 31/12/2020 in relation to company tax (CFAF):

- Fiscal profit of 2020	781,321,578
- Turnover of 2020	1,400,000,000
- Capital	800,000,000

The corporate tax liability of 2020 is:

- A 257,835,930 CFAF
- B 30,800,000 CFAF
- C 462,000,000 CFAF
- D 257,836,121 CFAF

50. The depreciation method allowed by the tax code in relation to company tax is

- A Straight-line
- B Reducing balance
- C Sum of years digits
- D Units of output

END.

GO BACK AND CHECK YOUR WORK.