

FBQ1: The beginning of accounting was _____

Answer: Stewardship

FBQ2: In accounting permanent records should be created whereby both the _____ and the owner can have access to present and past events.

Answer: Steward

FBQ3: The owner of the business is referred to as an _____

Answer: entrepreneur

FBQ4: The earliest known originator of book keeping system was

Answer: Rev. Father Lucas Pacioli

FBQ5: Accounting consists of the process in designing and operating an efficient accounting information system for collection, recording, measuring, summarising, analysing and _____ the results of financial transactions for a particular period to users of financial information for them to make informed decisions.

Answer: Communicating

FBQ6: Accounting is a discipline involved with the recording, classification and _____ of financial information for both trading and non-trading organisations.

Answer: Interpretation

FBQ7: Sales represents total of all credit and cash sales made to a _____

Answer: Third party

FBQ8: Accounting requires the acquisition of a specialised knowledge over a given period of time which involves the combination of _____

Answer: Theory and Practice

FBQ9: Reserves are amounts set aside out of profits earned by a company and constitute part of _____ fund.

Answer: Shareholders'

FBQ10: Accounting is a _____ because it is a means of communicating business information.

Answer: Language

FBQ11: Accounting does not have _____ products that can be bought and sold like the manufacturing companies.

Answer: Physical

FBQ12: Accounting is a _____ because it follows a systematic and organised body of knowledge.

Answer: Science

FBQ13: Accounting is a _____ because it is also based on some fundamental principles which are applicable worldwide.

Answer: Management science

FBQ14: The maintenance and recording of the books of accounts in a _____ manner similar to procedures in a laboratory make accounting a science.

Answer: Systematic

FBQ15: Accounting should include enough facts and _____ to satisfy the need of the users.

Answer: Figures

FBQ16: Ability to trace all accounting transactions in a report to the source documents is important for _____ to be realised.

Answer: Objectivity

FBQ17: Bank reconciliation is the process of making the balance on the bank column of a cash book to _____ with the balance on the bank statement received from the bank.

Answer: Agree

FBQ18: Accounting report should be prepared in a way that allows for quick and easy _____ from one period to another.

Answer: Comparability

FBQ19: Accounting report is _____ if it is easy to change, adjust and adaptable to suit different kinds of users.

Answer: Flexible

FBQ20: Financial accounting is also used to determine the _____ of an organisation which shows the company's assets and liabilities at a particular date.

Answer: Financial position

FBQ21: Cost accounting helps organisation in controlling and _____ their costs.

Answer: Minimising

FBQ22: Management accounting is a branch of accounting that uses different _____ analysis tools to project for the future of an organisation.

Answer: Quantitative

FBQ23: Auditing is an _____ examination of the books of accounts, records and financial statement of an organisation by an independent person called an auditor.

Answer: Independent

FBQ24: Without the accountants, financial statements will not make any _____ to many people.

Answer: Meaning

FBQ25: The external auditing service provided by _____ is to ensure that complete and reliable financial statements are published or released to the public.

Answer: Accountants

FBQ26: Every business organisation is expected to keep its _____ accurately and in an orderly manner.

Answer: Financial records

FBQ27: Accounting is used to _____ the financial performance of an organisation

Answer: Measure

FBQ28: Accounting makes use of _____ financial data in forecasting future performance and financial position of different organisations.

Answer: Historic

FBQ29: Shareholders are the _____ of a company and they are interested in the performance of the company

Answer: Owners

FBQ30: The government is interested in accounting information to determine the company income tax to be paid, _____ with government rules and regulations governing the operation of the business.

Answer: Compliance

FBQ31: The concern of the suppliers is to know how stable the company is _____ in order to meet their bills and invoices as at when due.

Answer: Financially

FBQ32: The laid down rules that are complied with in the preparation of accounting records for any organisation is _____

Answer: Accounting concept

FBQ33: The tradition for the preparation of accounting records is _____

Answer: Accounting convention

FBQ34: In recording the books of accounts, the business records are kept and treated _____ from the owners even in a situation where the business is owned by a person.

Answer: Share

FBQ35: In accounting revenues and expenses for any accounting period should be _____ with each other so as to bring them into the accounting period to which they relate, so that the profit or loss for the period can be ascertained.

Answer: Matched

FBQ36: The convention of prudence states that profit should not be _____ when recognising profit to be recorded in financial statement, but the profit should be based on actual profit earned or realised for the particular period.

Answer: Anticipated

FBQ37: A cheque is a _____ instrument that originates from banks and it is used to withdraw money from a stated bank account in a bank.

Answer: Negotiable

FBQ38: A bank teller is used to _____ money (cash and cheques) into an account in a bank.

Answer: Pay

FBQ39: Credit note is a document showing a _____ in favour of the receiver.

Answer: Claim

FBQ40: Discount can be defined as an _____ given to customers to enable them buy in large quantity, obtain profit margin price

Answer: Inducement

FBQ41: Quantity discount is a price _____ given to a customer who buys in large quantity for consumption and not for re-sale.

Answer: Reduction

FBQ42: Purchases day book is a subsidiary book of account used to record all goods bought and services received on _____ from a third party in the order in which they occurred irrespective of the amount involved.

Answer: Credit

FBQ43: Journal or journal proper is one of the books of original entry that is used to record any transaction which cannot be _____ recorded or classified into any of the other subsidiary books.

Answer: Conveniently

FBQ44: The cash book is a book of original entry used to record all _____ transactions.

Answer: Cash

FBQ45: A contra entry is any transaction that has been recorded _____ in an account through a debit and a credit entry in the same account.

Answer: Twice

FBQ46: The double entry principle states that for every debit entry for a transaction, there must be a corresponding _____ for the same transaction.

Answer: Credit entry

FBQ47: Ledger is the _____ of accounts where the double entry principle is completed.

Answer: Principal book

FBQ48: Error is an accounting terminology used to signify _____ made while recording and/or posting financial transactions.

Answer: Mistakes

FBQ49: Expenditures are the money spent in an organisation in order to generate _____ either now or in the future.

Answer: Income

FBQ50: The manual accounting system refers to the keeping of accounting record by _____ of relevant posting in the books of accounts.

Answer: Handwritten

MCQ1: The accounting report should beenough to give the user full information with which decision could be reached.

Answer: Complete

MCQ2: Good accounting information should beto the purpose for which it is prepared.

Answer: relevant

MCQ3: The owner of a business is referred to as _____

Answer: an entrepreneur

MCQ4: Financial accounting is prepared on _____

Answer: Historical basis

MCQ5: Financial accounting is also used to determine theof an organisation

Answer: Financial position

MCQ6: Accounting as a form of knowledge and profession consist of different branches except.....

Answer: Commerce

MCQ7: To find out the cost of goods produced or services rendered in an organisation we need.....

Answer: Cost accounting

MCQ8: The acquisition of key business information that includes income, expenditure, profit, assets and liabilities are made available from _____ prepared by accountants.

Answer: Financial Statement

MCQ9: In business, _____ refers to the process of allocating funds to meet the needs of your business.

Answer: Finance

MCQ10: The sole proprietorship business is also referred to as a _____

Answer: One-man- business

MCQ11: Which of the following is not a nature of accounting?

Answer: Auditing

MCQ12: Utility is the satisfaction derived from consuming a particular product or accepting a service.

Answer: Economist's point of view

MCQ13: For financial statements to make meaning to many people, one of the following must be prepared by an accountant.

Answer: Accounting ratio

MCQ14: To investigate the adequacy of tax paid by organisations, government engages the services of.....

Answer: Accountant

MCQ15: To safeguard the assets of an organisation, an Accountant employs one of the following.....

Answer: Internal control system

MCQ16: The two government recognised accounting professional bodies in Nigeria are:

Answer: Association of National Accountants of Nigeria and Institute of Chartered Accountants of Nigeria

MCQ17: One of the following is not a direct user of accounting information

Answer: Supplier

MCQ18: Business documents that confirm the occurrence of financial transaction between two or more parties are called.....

Answer: Source documents

MCQ19: The total of goods returned to supplier from the purchases returns day book is transferred to theof the returns outwards account.

Answer: Credit side

MCQ20: The following except _____ are recorded in the Journal Proper

Answer: Recording of credit sales

MCQ21: The left side of a cash book is called_____

Answer: Debit side

MCQ22: When cash is withdrawn from the bank to the office _____

Answer: Credit - The bank column.

MCQ23: Contra entry can be found in_____

Answer: Two column cash book

MCQ24: When liabilities value reduces, the liabilities account should be_____.

Answer: Debited

MCQ25: The advantages of trial balance exclude one of the following_____.

Answer: It helps in preventing errors.

MCQ26: One of the following errors does not affect the agreement of trial balance

Answer: Errors of principle

MCQ27: A debtor paid N10, 500 cash but his account was credited with N10,000 while the cash book was debited with N10,500.

Answer: Credit - Debtors Account N500

MCQ28: Motor vehicle purchases of N660,000 was entered in the purchases account. Correct the errors.

Answer: Credit -Purchases account

MCQ29: The cost of transporting goods meant for resale into the organisation is called____

Answer: Carriage Inward

MCQ30: Assets that add value to the organisation but they cannot be seen by their nature are called_____

Answer: Intangible assets

MCQ31: Services and goods that have been consumed or enjoyed during the year but which payment has not been made either in full or in part at the end of that financial year is called_____

Answer: Accruals

MCQ32: Reserve which is distributed to the shareholder and other capital providers in form of debenture interest, retained profit is called _____

Answer: Revenue Reserve

MCQ33: Any transactions that will increase the customers' indebtedness to the organisation areto the debtors control account

Answer: Debited

MCQ34: A statement sent periodically usually once a month by a buyer to his suppliers is called _____

Answer: Creditor's Statement of Account

MCQ35: The causes of the differences between the bank statement and the cash book exclude one of the following _____

Answer: Signed cheques

MCQ36: To prepare Bank reconciliation statement start with Balance as per adjusted cash book and add _____

Answer: Unpresented cheques

MCQ37: The accounting concept that assumes that the business will be in existence for a very long period of time without any intention to close the company later is ____

Answer: Going Concern Concept

MCQ38: The traditions and customs adopted by accountants for the preparation of financial statements exclude one of the following

Answer: Money Measurement

MCQ39: A document that is used to record full details of money paid for a particular purpose is called_____

Answer: Payment Voucher

MCQ40: One of the following is not a subsidiary book of account_____

Answer: Ledger account

MCQ41: Where an account of capital expenditure is treated as revenue expenditure item it is called_____

Answer: Errors of Principle

MCQ42: Cash of N600,000 received from a debtor was recorded in the cash book only. You are to correct the error.

Answer: Debit - Suspense Account N600,000

MCQ43: One of the following is not a branch of accounting.

Answer: Investigative accounting

MCQ44: The accounting system that recognises revenue from selling a good or service in the period which the good is sold or the service is performed is called_____

Answer: Accrual based accounting

MCQ45: The revenues that are generated outside the sales of goods or services that the firm regularly deals with are called

Answer: Discount received

MCQ46: Essential features of a business organisation exclude one of the following

Answer: The need to take risk

MCQ47: The functions of an accountant exclude one of the following.

Answer: Stock brokering

MCQ48: The professional person that reports on the true and fair view of an organisation's financial statements is

Answer: Auditor

MCQ49: An inducement given to debtors (credit customers) for paying their debt on time or promptly within the specified time frame or period is known as

Answer: Cash Discount

MCQ50: A book used to record goods previously sold to customers but were later returned by the buyer to the seller is known as _____

Answer: Returns Inwards Journal

MCQ1: The process of collecting, recording, presenting, analyzing and interpreting financial information for the users of financial statements is referred to as _____

Answer: Accounting

MCQ2: _____ is a known career that requires an identified path for the acquisition of specialized and/or formal education or training before rendering any service.

Answer: Accounting

MCQ3: The maintenance and recording of the books of accounts in a systematic manner similar to procedures in a laboratory make accounting a _____

Answer: Good subject

MCQ4: Accounting information should be free from _____ of the person preparing the report

Answer: Bias

MCQ5: The qualities of accounting information include the following, except

Answer: Relevance

MCQ6: The branches of accounting include the following, except _____

Answer: Cost accounting

MCQ7: _____ is an independent examination of the books of accounts, records and financial statement of an organization by an independent person.

Answer: Auditing

MCQ8: Which of the following is not a nature of accounting?

Answer: Accounting as a profession

MCQ9: There are _____ professional accounting bodies in Nigeria

Answer: 2

MCQ10: The acquisition of key business information that includes income, expenditure, profit, assets and liabilities are made available from _____ prepared by accountants.

Answer: Book keeping

MCQ11: Which of the followings is not one of the essential features of a business organization?

Answer: The need to make profit and ensure adequate return for the owners

MCQ12: The auditor's report should show the ____ view of the financial statements

Answer: 'true and fair'

MCQ13: Every business organization is expected to keep its _____ accurately and in an orderly manner.

Answer: business

MCQ14: The functions of accounting as it relates to the information system of an organization include the following, except____

Answer: Decision making

MCQ15: One of the following is not a user of accounting information.

Answer: Shareholders

MCQ16: One of the following is not a concept of accounting.

Answer: Going concern

MCQ17: One of the following is not a subsidiary book.

Answer: Sales day book or sales journal

MCQ18: Next level Enterprises sold the following goods on credit in the month of June 2015. Goods sold to Dabo N20,750 on June 1. On June 10, he sold 5 pieces of calculator to Daniel at N1,250 each. On June 18, Ifeanyi bought 7 pairs of shoe at N1,400 per pair; 15 pieces of mobile handset at N6,200 each and another starter pack costing N22,000 on credit from Next Level Enterprises. What is the total sales credited to sales account?

Answer: N 151,800

MCQ19: Next level Enterprises sold the following goods on credit in the month of June 2015. Goods sold to Dabo N20,750 on June 1. On June 10, he sold 5 pieces of calculator to Daniel at N1,250 each. On June 18, Ifeanyi bought 7 pairs of shoe at N1,400 per pair; 15 pieces of mobile handset at N6,200 each and another starter pack costing N22,000 on credit from Next Level Enterprises. What is the total sales credited to sales account?

Answer: N 151,800

MCQ20: An inducement given to debtors is called-----

Answer: Quantity discount

MCQ21: The reduction in price given to a customer who buys for re-sale in large quantity is called -----

Answer: Cash discount

MCQ22: A discount given to a customer who buys in large quantity for consumption and not for re-sale is called -----

Answer: Quantity discount

MCQ23: Chop One Chop Two Ventures set up a business on June 1, 2014 with his personal properties which he now transfers to the company as follows: Building N650,000, Motor vehicle N380,000, Cash N12,500 and Cash at bank N18,240. A day earlier, he bought some goods on credit worth N625,000. What is the total value of assets?

Answer: N 1,060,740

MCQ24: Chop One Chop Two Ventures set up a business on June 1, 2014 with his personal properties which he now transfers to the company as follows: Building N650,000, Motor vehicle N380,000, Cash N12,500 and Cash at bank N18,240. A day earlier, he bought some goods on credit worth N625,000. What is the total value of liabilities?

Answer: N 1,060,740

MCQ25: Chop One Chop Two Ventures set up a business on June 1, 2014 with his personal properties which he now transfers to the company as follows: Building N650,000, Motor vehicle N380,000, Cash N12,500 and Cash at bank N18,240. A day earlier, he bought some goods on credit worth N625,000. What is the total value of capital?

Answer: N 1,060,740

MCQ26: The following cash transactions relate to Obinna Ventures for the month of January 2019. Sales N 25,000, Paid rent N4,000, Purchases N12,500, Electricity bills N 2,000 N, Transport expenses N 250, Sales N 14,110, Purchases N 6,230. What is the amount of total sales?

Answer: N 39,110

MCQ27: The following cash transactions relate to Obinna Ventures for the month of January 2019. Sales N 25,000, Paid rent N4,000, Purchases N12,500, Electricity bills N 2,000 N, Transport expenses N 250, Sales N 14,110, Purchases N 6,230. What is the amount of total expenses?

Answer: N 39,110

MCQ28: Amount taken from business account for personal use is called ____

Answer: Drawings

MCQ29: ____ is used in recording all cash transactions.

Answer: Journals

MCQ30: The book of original entry used to record all credit transactions is called ____

Answer: Cash book

MCQ31: Any written evidence in support of a business transaction is called ____

Answer: Journal

MCQ32: The sales income (Credit and Cash) of a business during a given period is called___

Answer: Transactions

MCQ33: The following is not a type of liability

Answer: Short term

MCQ34: Accounting provides information on _____

Answer: Cost and income for managers

MCQ35: In journal, the business transaction is recorded_____

Answer: Same day

MCQ36: The process of entering all transactions from the journal to ledger is called___

Answer: Posting

MCQ37: One of the following is a statement of revenues and expenses for a specific period of time

Answer: Trading account

MCQ38: Statement of financial positions are prepared

Answer: Daily

MCQ39: The stocks that are meant for sale which a business has at the end of the accounting year or a stated period or date is called.....

Answer: closing stock

MCQ40: The profit that is derived after all expenses and cost of sales have been deducted from the net income including sales of goods and other income is called _____

Answer: Gross profit

MCQ41: When preparing the statement of profit or loss, it should be done in a way to reveal the income generated, cost of sales, gross profit, other income, expenses and the _____

Answer: Net profit

MCQ42: List of balances extracted from a ledger to test arithmetic accuracy of a transaction is called _____

Answer: Trading account

MCQ43: _____ is the process of making the balance on the bank column of a cash book to agree with the balance on the bank statement received from the bank.

Answer: Bank statement

MCQ44: The following are reasons why trial balance totals may not agree.

Answer: Undercast

MCQ45: The cash book is divided into two sides, the left side records all cash receipts while the right side records all _____

Answer: Cash payments

MCQ46: The following are causes of errors except;

Answer: Not following the double entry principle

MCQ47: One of the following errors effects the balancing of the trial balance

Answer: Omission

MCQ48: _____ explain situations where the occurrence of one error cancel out another error that has occurred either in the same account or different accounts.

Answer: Compensating Error

MCQ49: Goods and services that have been paid for, but the benefit is yet to be enjoyed or consumed either in full or in part is called _____

Answer: Debtors

MCQ50: _____ is a discipline that is involved with the recording, classification and interpretation of financial information for both profit and not-for-profit organizations.

Answer: Insurance

Fill in the Blank (FBQs):

FBQ1: Accounting is a science because it follows_____ body of knowledge.

Answer: *systematic and organised*

FBQ2: Good accounting information should be_____ to the purpose for which it is prepared

Answer: *Relevant*

FBQ3: Financial accounting started from stewardship duty and is concerned with the keeping of books of accounts and preparation of financial statement for the entire organisation on _____

Answer: *historical basis*

FBQ4: _____ is a branch of accounting that uses different quantitative analysis tools to project for the future of an organization.

Answer: *Management accounting*

FBQ5: The acquisition of key business information that includes income, expenditure, profit, assets and liabilities are made available from _____ prepared by accountants.

Answer: *Financial accounting*

FBQ6: Accountants render their services to business organisations. Business can be seen as a regular activity between two or more parties which leads to the creation of utility that satisfies human wants in form of _____

Answer: *goods and services*

FBQ7: The auditor is expected to form an _____ on the audited financial statement after gathering various forms of audit evidence from the audit exercise.

Answer: *independent opinion*

FBQ8: Every business organization is expected to keep its _____ accurately and in an orderly manner.

Answer: *Financial statement*

FBQ9: The users of accounting information can be grouped into two categories. The first category is the direct users while the second category is _____

Answer: *Indirect users*

FBQ10: The government is interested in accounting information to determine the company _____ to be paid, compliance with government rules and regulations governing the operation of the business.

Answer: *Income tax*

FBQ11: Accounting concepts are rules of the game which _____ have generally come to accept and use over the years.

Answer: *Accountants*

FBQ12: Accounting _____ refer to customs adopted by accountants which serve as guide to the preparation of accounting records which include the financial statements.

Answer: *Conventions*

FBQ13: _____ are business documents confirming the occurrence of financial transaction between two or more parties.

Answer: *Source document*

FBQ14: A document that is used to record full details of money paid for a particular purpose is called _____

Answer: *Payment voucher*

FBQ15: Sales journal is a book of original entry used to record all goods sold and services rendered on _____

Answer: *credit to a third party*

FBQ16: Purchases day book is a subsidiary book of account used to record all goods bought and _____ on credit.

Answer: *Services received*

FBQ17: The discount available for buying goods on credit at the point of purchase is _____

Answer: *Trade discount*

FBQ18: Another name for returns inwards journal is returns inwards day book or _____

Answer: *sales return book*

FBQ19: Journal or journal proper is one of the books of original entry that is used to record any transaction which cannot be conveniently recorded or classified into any of the other _____

Answer: *subsidiary books*

FBQ20: The cash book is a book of original entry used to record all _____

Answer: *cash transactions*

FBQ21: The three column cash book is one of the subsidiary books of account used to record cash and bank transactions in addition to discounts received and _____

Answer: *Discount allowed*

FBQ22: _____ payments are small payments given out for some small expenses that occur almost on daily basis in an organization.

Answer: *Petty cash*

FBQ23: The _____ system signifies a way of recording all accounting transactions twice in the books of account.

Answer: *Double entry*

FBQ24: _____ is the principal book of accounts where the double entry principle is completed.

Answer: *Ledger*

FBQ25: _____ is an accounting terminology used to signify mistakes made while recording and/or posting financial transactions.

Answer: *Error*

FBQ26: _____ is a deliberate effort and/or attempt to change and/or modify financial information and/or records for someone personal gains to the detriment of others.

Answer: *Fraud*

FBQ27: Expenditure is not the same as _____

Answer: *Expenses*

FBQ28: Capital expenditure is money spent to acquire or purchase property of ____ for individuals and organizations

Answer: *permanent nature*

FBQ29: Revenue expenditures are all expenditure other than _____

Answer: *capital expenditures*

FBQ30: List of balances extracted from the ledger to test arithmetic accuracy of transactions is called _____

Answer: *Trial balance*

FBQ31: The profit realised on trading activities is called _____

Answer: *Gross profit*

FBQ32: Goods purchased for resale are called _____

Answer: *Purchases*

FBQ33: The capital market functions through the _____

Answer: *Assets*

FBQ34: _____ are those debts which in the opinion of management of an organization may not be fully recovered

Answer: *Doubtful debts*

FBQ35: bad debts will be charged on the debtors after the deduction of the bad debts for the period or after the bad debts have been _____

Answer: *written off*

FBQ36: _____ are amounts set aside out of profit earned by a company and constitute part of shareholders fund.

Answer: *Reserves*

FBQ37: The type of reserve is distributed to the shareholder and other capital providers in form of debenture interest, retained profit is called _____

Answer: *Revenue reserve*

FBQ38: Non-distributable reserves that are retained to comply with certain laws or for accounting requirement is called _____

Answer: *Capital reserve*

FBQ39: _____ are reserves not set aside for a specific purpose.

Answer: *General reserve*

FBQ40: Any transactions that will increase the customers' indebtedness to the organization are debited to the _____

Answer: *debtors control account*

FBQ41: The sales ledger control account is also known as _____

Answer: *debtors control account*

FBQ42: A debtor's statement can also be regarded as a memorandum statement showing the details of _____ for each debtor, which is supposed to agree with the total amount outstanding against the customer in the general ledger.

Answer: *unpaid invoices*

FBQ43: _____ is a statement sent periodically usually once a month by a buyer to his suppliers, showing the position of their accounts up to a certain date.

Answer: *Creditor's Statement of Account*

FBQ44: _____ is the process of making the balance on the bank column of a cash book to agree with the balance on the bank statement received from the bank.

Answer: *Bank reconciliation*

FBQ45: Unpresented cheques will appear on the _____ of the cash book.

Answer: *credit side*

FBQ46: _____ states that revenues and expenses for any accounting period should be matched with each other so as to bring them into the accounting period to which they relate, so that the profit or loss for the period can be ascertained.

Answer: *Matching concepts*

FBQ47: _____are business documents confirming the occurrence of financial transaction between two or more parties.

Answer: *Source documents*

FBQ48: A _____ is a negotiable instrument that originates from banks and it is used to withdraw money from a stated bank account in a bank.

Answer: *Cheque*

FBQ49: _____is a document showing a claim or refund in favour of the receiver

Answer: *Credit note*

FBQ50: The books in which accounting transactions are first recorded before been posted to their various accounts in the ledger are called_____

Answer: *Subsidiary books*