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**CERTIFIED ACCOUNTING TECHNICIAN**

**STAGE 1 EXAMINATIONS**

**S1.1 RECORDING FINANCIAL TRANSACTIONS**

**TUESDAY: 03 DECEMBER 2019**

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**INSTRUCTIONS**

1. Time allowed: **2 hours**
2. This examination has **one** section only: **Section A**
3. Section A has **50 compulsory** multiple choice questions equal to 2 marks each.

1. Philomene bought some tea and coffee supplies for the office out of petty cash. The purchase totalled RWF35,400, including VAT at 18%. What is the double entry for this transaction?
- A DEBIT expense RWF29,028, DEBIT VAT RWF6,372, CREDIT cash RWF35,400
  - B DEBIT cash RWF35,400, CREDIT VAT RWF6,372, CREDIT expense RWF29,028
  - C DEBIT cash RWF35,400, CREDIT VAT RWF5,400, CREDIT expense RWF30,000
  - D DEBIT expense RWF30,000, DEBIT VAT RWF5,400, CREDIT cash RWF35,400
  - E None of the above
- (2 marks)**
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2. A cheque in the credit side of the cash book is unticked after the bank statement and cash book have been compared.
- How should this be dealt with in the bank reconciliation statement?
- A A standing order
  - B An unpresented cheque
  - C A direct debit
  - D An outstanding lodgement
  - E None of the above
- (2 marks)**
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3. Vedaste, a sole trader, has returned some goods which he purchased from Jane. In which book of prime entry should he record the debit note in respect of these goods.
- A The cash book
  - B The sales returns day book
  - C The purchase day book
  - D The purchase returns day book
  - E None of the above
- (2 marks)**
- 
4. Didier, a sole trader, has extracted a trial balance and he has found that the credit side exceeds the debit side by RWF208,000
- Which one of the following errors would fully account for the difference?
- A A maintenance bill of RWF208,000 has been omitted from the trial balance.
  - B A receipt of RWF208,000 for commission receivable has been omitted from the records.
  - C RWF104,000 paid to a supplier has been correctly entered in the cash book and debited to receivables.
  - D A credit note received from a supplier of RWF104,000 has been credited to trade payables.
  - E None of the above
- (2 marks)**
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5. Which of the following statements regarding control over payments is **not** true?
- A The required documentary evidence for payments to suppliers is the supplier's invoice.
  - B Payment is generally authorised by putting a signature or recognisable initials on the appropriate document.
  - C Payments of small amounts do not need to be authorised.
  - D More senior authorised persons generally have higher payment limits.
  - E None of the above
- (2 marks)**
-

6. Which business document provides evidence that expenditure from petty cash has been authorised?
- A An invoice
  - B A receipt
  - C Recording the expense in the petty cash book
  - D The imprest system
  - E None of the above

**(2 marks)**

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7. Etienne, a sole trader, pays the rent on his business premises by instructing his bank to make monthly payments of a fixed amount from his current account. When notified of any increases in the rent, he issues revised instructions to the bank.

Which method of payment is this?

- A Cash
- B Standing order
- C Cheque
- D Direct debit
- E None of the above

**(2 marks)**

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8. Eustache is a sole trader who runs a book stall. On 31<sup>st</sup> December 2019, his assets comprise of RWF8,000,000 in inventory and RWF300,000 in cash. He also has a bank loan of RWF800,000.

What is Eustache's capital at 31 December 2019?

- A RWF8,300,000
- B RWF9,100,000
- C RWF7,500,000
- D RWF7,200,000
- E None of the above

**(2 marks)**

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9. Clement, a sole trader, has prepared a reconciliation between the balance on the sales ledger control account in the general ledger and the total of the individual balances in the sales ledger:

	RWF'000
Balance on sales ledger control account in the general ledger	58,402,500
Debit balance omitted from list of balances in the sales ledger	<u>(202,300)</u>
	58,200,200
Overcasting of sales day book	<u>(84,300)</u>
Total of list of balances	<u>58,115,900</u>

What balance should be reported on Clement's statement of financial position for trade receivables?

- A RWF58,318,200
- B RWF58,200,200
- C RWF58,115,900
- D RWF58,402,500
- E None of the above

**(2 marks)**

10. Francis and Chantal are in partnership manufacturing sportswear, selling mainly to retailers. By 31<sup>st</sup> December 2018, Karera Ltd, a credit customer who owed RWF25,480,000 for sportswear purchased in March 2018, still had not paid their debt, and the partnership set up an allowance for this amount. In March 2019, the partnership was informed that Karera Ltd had been declared insolvent.

What are the journal entries required to account for this development?

- A DEBIT Allowance for receivables RWF25,480,000, CREDIT Receivables RWF25,480,000
- B DEBIT Irrecoverable debts RWF25,480,000, CREDIT Receivables RWF25,480,000
- C DEBIT Receivables RWF25,480,000, CREDIT Allowance for receivables RWF25,480,000
- D DEBIT Receivables RWF25,480,000, CREDIT Irrecoverable debts RWF25,480,000
- E None of the above

**(2 marks)**

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11. Which of the following errors would be corrected using journal entries?

- (i) A balance on a customer's personal account has been overcast.
- (ii) A receivable balance has been written off in a customer's personal account, but no entry has been made in the sales ledger control account.
- (iii) A monthly total in the sales day book has been incorrectly recorded due to a transposition error.
- (iv) A balance on a supplier's personal account in the purchase ledger has been omitted from the list of balances.

- A (i) and (ii) only
- B (ii) and (iii) only
- C (i) and (iv) only
- D (iii) and (iv) only
- E None of the above

**(2 marks)**

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12. Josiane and Immaculee run a business as a partnership, which is registered for VAT. The rate of VAT is 18%. In the month ended 30<sup>th</sup> June 2019, the partnership made sales of RWF70,800,000 including VAT. Its purchases were RWF54,500,000 excluding VAT.

What will be the partnership's balance outstanding in its VAT account at 30<sup>th</sup> June 2019?

- A RWF2,934,000 payable
- B RWF990,000 payable
- C RWF990,000 receivable
- D RWF2,934,000 receivable
- E None of the above

**(2 marks)**

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13. Ishimwe Ltd employs Claudine and pays her a salary of RWF50,000 per month. During the month of November 2019, Claudine pays RWF10,500 income tax, RWF6,600 employee social security contributions, and RWF3,400 employee pension contributions.

Ishimwe Ltd pays employer's pension contributions of RWF5,500 and employer's social security contributions of RWF4,800.

What is the journal entry to record net pay being paid to Claudine?

- A DEBIT Wages control RWF39,800, CREDIT Wages expense RWF39,800
- B DEBIT Wages control RWF29,500, CREDIT Wages expense RWF29,500
- C DEBIT Wages expense RWF39,800, CREDIT Wages control RWF39,800
- D DEBIT Wages expense RWF29,500, CREDIT Wages control RWF29,500
- E None of the above

(2 marks)

14. What is the journal entry required to post the total of the purchase day book in the general ledger?

- A DEBIT Purchase ledger control account, CREDIT Purchases
- B DEBIT Purchases, CREDIT Purchase ledger control account
- C DEBIT Payables ledger, CREDIT Purchase ledger control account
- D DEBIT Purchase ledger control account, CREDIT Payables ledger
- E None of the above

(2 marks)

15. Which of the following types of error would be revealed by a trial balance?

- A Errors of omission
- B Compensating errors
- C Errors of commission
- D Errors of principle
- E None of the above

(2 marks)

16. Bazizane and Giramahoro, a partnership running a hardware business, made the following transactions.

- 1 Purchased goods on credit from Mucyo Ltd for RWF102,000
- 2 Returned goods to Umuhoza Ltd originally bought for RWF650,000 in cash

What are the correct ledger entries to record these transactions?

- |   |                          | RWF     | RWF     |
|---|--------------------------|---------|---------|
| A | DEBIT Purchases          | 102,000 |         |
|   | DEBIT Cash               | 650,000 |         |
|   | CREDIT Payables          |         | 102,000 |
|   | CREDIT Purchases returns |         | 650,000 |
| B | DEBIT Payables           | 102,000 |         |
|   | DEBIT Purchases returns  | 650,000 |         |
|   | CREDIT Purchases         |         | 102,000 |
|   | CREDIT Cash              |         | 650,000 |
| C | DEBIT Purchases          | 102,000 |         |
|   | DEBIT Purchase returns   | 650,000 |         |
|   | CREDIT Payables          |         | 752,000 |
| D | DEBIT Cash               | 752,000 |         |
|   | CREDIT Purchase returns  |         | 650,000 |
|   | CREDIT Purchases         |         | 102,000 |
| E | None of the above        |         |         |

(2 marks)

17. Musoni Ltd, who is registered for VAT, buys some goods for resale from a supplier for RWF826,000, paying cash. The rate of VAT is 18%. How should this be recorded?
- A DEBIT Purchases RWF826,000, CREDIT Cash RWF826,000
  - B DEBIT Purchases RWF677,320, DEBIT VAT RWF148,680, CREDIT Cash RWF826,000
  - C DEBIT Purchases RWF700,000, CREDIT Cash RWF700,000
  - D DEBIT Purchases RWF700,000, DEBIT VAT RWF126,000, CREDIT Cash RWF826,000
  - E None of the above
- (2 marks)**
- 
18. Which of the following statements about discounts is correct?
- A Trade discounts are given for prompt payment.
  - B A trade discount is calculated as a percentage of the list price net of settlement discount.
  - C The choice to take a trade discount is a financing decision.
  - D Where VAT is levied, this is calculated on the list price, ie before taking discounts into account.
  - E None of the above
- (2 marks)**
- 
19. In which order would the business documents below be used?
- A Sales order, delivery note, invoice, credit note, debit note
  - B Sales order, delivery note, invoice, debit note, credit note
  - C Sales order, invoice, delivery note, debit note, credit note
  - D Sales order, invoice, debit note, credit note, delivery note
  - E None of the above
- (2 marks)**
- 
20. Bernard, a sole trader makes the following transactions.
- (i) He sells a machine, which he no longer needs, for RWF40,850,000.
  - (ii) He sells RWF250,100 of goods.
  - (iii) He buys a van for RWF30,400.
  - (v) He puts RWF10,500 into the business.
- Which of these transactions is capital income?
- A (i) only
  - B (i) and (iv) only
  - C (i) and (ii) only
  - D (iii) and (iv) only
  - E None of the above
- (2 marks)**
- 
21. Rose and Claude are in partnership and registered for VAT. The sales day book of the partnership shows sales of RWF59,000, including VAT at 18%.
- What double entry will Rose and Claude post at the end of their day's trading?
- A DEBIT Sales RWF59,000, CREDIT Receivables RWF50,000, CREDIT VAT RWF9,000
  - B DEBIT Receivables RWF59,000, CREDIT Sales RWF50,000, CREDIT VAT RWF9,000
  - C DEBIT Receivables RWF50,000, CREDIT Sales RWF50,000
  - D DEBIT Receivables RWF59,000, CREDIT Sales RWF59,000
  - E None of the above
- (2 marks)**
-

22. The balance on the cash book of a business may differ from the balance on the bank statement. Which of the following could explain the difference?
- (i) Errors made by the business or the bank
  - (ii) Cheques paid into the bank but uncleared
  - (iii) Accounting differences – a bank shows a credit balance when the cash book shows a debit balance
  - (iv) Bank interest added by the bank but not yet included in the cash book
- A (i) only  
B (i), (ii) and (iv) only  
C (i) and (ii) only  
D (i), (ii), (iii) and (iv)  
E None of the above
- (2 marks)**
- 

23. At 31<sup>st</sup> July 2019, Leoncie's cash book shows an overdrawn balance of RWF1,475,500, which she believes is incorrect. She investigates and determines that a standing order for RWF32,500 has been entered twice, and that a dishonoured cheque for RWF117,000 has been debited in the cash book instead of credited.
- What is the correct cash book balance?
- A RWF1,625,000 overdrawn  
B RWF1,677,000 overdrawn  
C RWF1,560,000 overdrawn  
D RWF1.326,000 overdrawn  
E None of the above
- (2 marks)**
- 

24. Which of the following are books of prime entry?
- (i) Cash book
  - (ii) Sales ledger
  - (iii) Journal
  - (iv) Purchase day book
- A (i), (iii), and (iv) only  
B (i) only  
C (i), (ii), and (iv) only  
D (iv) only  
E None of the above
- (2 marks)**
-

25. Dancille runs a small business. Her main supplier is Umutoni Ltd. At 31<sup>st</sup> May 2019, her records show a balance owed to Umutoni Ltd that is higher than the balance on the supplier's statement.

Which of the following might explain the discrepancy?

- A Dancille set up a bank transfer to Umutoni Ltd for 2<sup>nd</sup> June 2019, and recorded this as a payment on 31<sup>st</sup> May.
- B Dancille has returned goods to Umutoni Ltd, and posted a debit note to the purchase returns day book, but Umutoni Ltd has not yet raised a credit note.
- C Umutoni Ltd has sent Dancille an invoice for goods supplied, but this invoice has not yet arrived.
- D Umutoni Ltd has allowed Dancille a 5% settlement discount, but Dancille has not yet posted this to her accounts.
- E None of the above

**(2 marks)**

26. The purchase ledger control account of Mutabazi Ltd shows a balance of RWF13,890,000 which is different from the total of the balances in the payables ledger of RWF14,115,000. The following potential errors are discovered:

- (i) A refund of RWF232,500 has not been posted to the purchase ledger control account.
- (ii) One page of the purchase day book has been overcast by RWF127,500.
- (iii) A debit balance of RWF60,000 has been included in the list of balances as a credit.

What is the reconciled balance?

- A RWF14,115,000
- B RWF14,122,500
- C RWF13,995,000
- D RWF14,175,000
- E None of the above

**(2 marks)**

27. What is the correct double entry for discounts allowed?

	<i>Debit</i>	<i>Credit</i>
A	Receivables ledger control account	Discounts allowed (income)
B	Discounts allowed (expense)	Receivables ledger control account
C	Receivables ledger control account	Discounts allowed (expense)
D	Payables ledger control account	Discounts received (income)
E	None of the above	

**(2 marks)**



28. In April 2019, Christella, the assistant accountant of Mutsinzi Ltd, made two posting errors, which resulted in the trial balance at 30<sup>th</sup> April failing to balance. The errors were:

Sales of RWF35,600 were debited to the purchases account.

Purchases of RWF42,500 were credited to the sales account.

Which journal entry should Christella make to correct these errors?

		<i>Debit</i> RWF	<i>Credit</i> RWF
A	Sales returns	78,100	
	Purchases returns		78,100
B	Sales	85,000	
	Purchases returns		71,200
	Suspense account		13,800
C	Sales	6,900	
	Purchases	6,900	
	Suspense account		13,800
D	Suspense account	13,800	
	Sales returns		6,900
	Purchases returns		6,900

E None of the above **(2 marks)**

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29. Nadine's purchase ledger control account had a closing balance of RWF2,040,000. It contained a contra to the sales ledger control account of RWF96,000, but this had been entered on the wrong side of the purchase ledger control account.

What should be the correct balance on the control account?

- A RWF2,136,000 credit  
B RWF1,944,000 credit  
C RWF1,848,000 credit  
D RWF2,232,000 credit  
E None of the above **(2 marks)**
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30. Which of the following services are generally offered by retail banks?

- (i) Investments  
(ii) Foreign currency  
(iii) Loans  
(iv) Insurance  
A (i), (iii), and (iv)  
B (i) only  
C (i), (ii), (iii) and (iv)  
D (iv) only  
E None of the above

**(2 marks)**

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31. The following sales ledger control account has been prepared by an inexperienced trainee accountant:

**SALES LEDGER CONTROL ACCOUNT**

	RWF'00		RWF'00
	0		0
Opening balance	865,000	Cash rec'd from customers	403,000
Credit sales	332,000	Irrecoverable debts written off	48,300
Contras against amounts owed to suppliers	6,848	Closing balance	752,548
	<u>1,203,848</u>		<u>916,600</u>

Which entry has been made to the wrong side of the account?

- A Credit sales
- B Contras against amounts owed to suppliers
- C Cash received from customers
- D Irrecoverable debts written off
- E None of the above

**(2 marks)**

32. Liliane, a sole trader, purchases a delivery van for use in her floristry business. She receives an invoice with the following associated costs:

- (i) Licence plates
- (ii) Delivery costs
- (iii) One year's road tax
- (iv) Installation of a satellite navigation system

Which of the above costs would be classified as revenue expenditure?

- A (i) and (iii) only
- B (i), (ii), (iii) and (iv)
- C (iii) only
- D (ii) and (iv) only
- E None of the above

**(2 marks)**

33. Gahigi and Habimana run a business in partnership. They use the imprest system for petty cash. The petty cash balance must be restored to RWF300,000 at the end of each month.

At the end of June 2019, the total expenditure column in the petty cash book was calculated as RWF350,000. However, the analysis columns posted to the general ledger totalled RWF370,000.

What would be the effect of this error on the trial balance?

- A Total debits would exceed total credits by RWF20,000.
- B Total credits would exceed total debits by RWF20,000.
- C The petty cash balance would be RWF20,000 higher than it should be.
- D There would be no effect on the trial balance.
- E None of the above

**(2 marks)**

34. Solange is posting to the repairs and maintenance account in the general ledger. She posts to the correct account, but enters RWF5,547,600, instead of the correct figure of RWF5,542,600.

What kind of error is this?

- A An error of principle
- B An error of omission
- C An error of commission
- D An error of original entry
- E None of the above

**(2 marks)**

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35. At the start of the first week of September, Runihura has a bank balance of RWF72,850,000. During the week, he has the following transactions.

- 1 He receives a cheque for RWF987,000 from a credit customer.
- 2 He purchases goods on credit for resale costing RWF250,000.
- 3 He receives a refund by direct credit from a supplier of RWF805,000 in respect of goods returned.
- 4 He sells shop fittings he no longer needs for RWF10,500,000. The buyer pays immediately by bank transfer.
- 5 He receives an invoice from a supplier for RWF1,205,000.

What is Runihura's bank balance at the end of the week?

- A RWF83,687,000
- B RWF84,892,000
- C RWF85,142,000
- D RWF74,642,000
- E None of the above

**(2 marks)**

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36. At the end of July 2019, Esther prepared a trial balance. However, the totals failed to agree, and Esther opened a suspense account. On investigation, she discovered the following errors.

- 1 Interest charged of RWF455,000 had been entered in the bank account but not in the interest charged account in the general ledger.
- 2 An electricity bill of RWF1,560,000 had been recorded in the electricity account as RWF6,150,000.
- 3 An invoice from a supplier for RWF325,000 had been debited to accounts payable.

What was the original balance on the suspense account?

- A RWF4,785,000 CREDIT
- B RWF4,785,000 DEBIT
- C RWF4,460,000 CREDIT
- D RWF4,460,000 DEBIT
- E None of the above

**(2 marks)**

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37. Which of the following is **not** a method of payment by a customer to a business?

- A Cheque
- B Clearing
- C Credit card
- D Cash
- E None of the above

**(2 marks)**

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38. Which of the following is **not** a reason for a bank to return a cheque unpaid?

- A The cheque has not been signed.
- B The amount in words is different from the amount in figures.
- C The amount of the cheque is greater than the guaranteed amount.
- D The cheque and guarantee card are stolen.
- E None of the above

**(2 marks)**

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39. Which of the following is **not** a reason why the sales ledger control account might not agree with the sum of individual receivables balances in the sales ledger?

- A The sales day book was miscast.
- B A transposition error occurred in posting an individual's balance from the sales day book to the sales ledger.
- C The sum of balances on the sales ledger was incorrectly extracted or calculated.
- D A transaction was posted to the sales day book but not to the sales ledger.
- E None of the above

**(2 marks)**

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40. The payments side of Nadege's analysed cash book has a trade payables column showing a total of RWF20,682,000 for the month of October.

What does this figure represent?

- A The amount owed to Nadege's suppliers as at 31 October
- B The total of returns outwards for the month of October
- C The total invoiced by Nadege's suppliers during October
- D The amount paid to Nadege's suppliers during October
- E None of the above

**(2 marks)**

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41. Kalisa runs a store selling specialist teas, he uses the following coding system for his financial transactions:

<i>1st number</i>	<i>2nd number</i>
10 Sales	30 Cash
20 Purchases	40 Receivables
	50 Payables

On 1<sup>st</sup> December 2019, Kalisa purchases RWF850,000 of tea from Jane Ltd, a regular supplier, taking 30 days' credit.

Which of the following is the correct code for this transaction?

- A 2030
- B 1040
- C 1030
- D 2040
- E None of the above

**(2 marks)**

42. Ishema Ltd uses an imprest system for petty cash. During the last week of July 2019, the company has the following transactions.

<i>Receipts</i>	<i>RWF</i>	<i>Payments</i>	<i>RWF</i>
Opening balance	50,000	Car parking	15,600
Sale of stationery	8,500	Tea and coffee	5,400

What will be the double entry for the reimbursement of petty cash?

- A DEBIT Bank RWF12,500  
CREDIT Petty cash RWF12,500
- B DEBIT Travel expense RWF15,600  
DEBIT Office supplies RWF5,400  
CREDIT Bank RWF21,000
- C DEBIT Petty cash RWF12,500  
CREDIT Bank RWF12,500
- D DEBIT Petty cash RWF21,000  
CREDIT Bank RWF21,000
- E None of the above

**(2 marks)**

43. Which of the following statements are true regarding the imprest system of managing petty cash?

- (i) The amount of petty cash at any time is the maximum petty cash balance minus the value of the petty cash vouchers for the period.
- (ii) The amount of cash held in petty cash must at all times equal the total of the petty cash vouchers in the period.
- (iii) The amount paid in to reimburse petty cash at the beginning of each period is the amount of petty cash spending in the previous period, which is the total of expenditures shown by petty cash vouchers for the previous period.
- (iv) The imprest system helps to reduce the risk of fraud.

- A (i) and (ii) only
- B (ii) and (iii) only
- C (i) and (iii) only
- D (i), (iii) and (iv) only
- E None of the above

**(2 marks)**

44. Which of the following statements regarding retention of documents is correct?
- A Petty cash vouchers need not be retained after the expenses have been posted.
  - B Once information contained in files is no longer needed, the files must be thrown away.
  - C A minimum retention period may be required by legislation for certain documents.
  - D Information about historical transactions must be kept for reporting purposes, but is not useful for decision making.
  - E None of the above
- (2 marks)**

45. Sentwali's trial balance is showing a credit balance on the suspense account of RWF5,850,000. It was found that a receipt of RWF21,215,000 from a customer was recorded in the cash book correctly but in the sales ledger control account as RWF21,125,000.

What are the journal entries required to correct this error?

	RWF'000	RWF'000
A DEBIT Sales ledger control	21,215	
CREDIT Suspense account		90
CREDIT Sales ledger control		21,125
B DEBIT Sales ledger control	21,125	
DEBIT Suspense account	90	
CREDIT Sales ledger control		21,215
C DEBIT Sales ledger control	21,215	
CREDIT Sales ledger control		21,215
D DEBIT Sales ledger control	21,125	
CREDIT Sales ledger control		21,125
E None of the above		<b>(2 marks)</b>

46. Which of the following items could appear on the debit side of a purchase ledger control account?
- (i) Cash paid to suppliers
  - (ii) Purchases
  - (iii) Debits for goods returned to suppliers
  - (iv) Cash refunds from suppliers
- A (i) and (iii) only
  - B (i), (ii), (iii) and (iv)
  - C (iii) and (iv) only
  - D (ii) and (iii) only
  - E None of the above
- (2 marks)**

47. Which of the following statements regarding payment methods is true?
- (i) A customer who pays with a debit card is taking out a loan with their bank.
  - (ii) When a payment is made using BACS direct credit, the money leaves the bank account immediately.
  - (iii) A remittance advice is a form that a customer completes when paying money into their bank.
  - (iv) In respect of cheques, the person writing and signing the cheque in order to make the payment is the drawer.

- A (i) only
- B (ii) and (iv)
- C (ii) and (iii)
- D (i), (ii), (iii) and (iv)
- E None of the above

**(2 marks)**

48. Umwali Ltd purchases goods from Maniraho Ltd. Both companies are registered for VAT, which is charged at 18%. The goods have a VAT-exclusive price of RWF240,000. Because Umwali Ltd is a regular customer, Maniraho Ltd allows a 6% trade discount on these goods. If Umwali Ltd settles the invoice within 30 days, the company will be entitled to a 3% settlement discount.

Umwali Ltd takes 40 days to pay. How much does it pay?

- A RWF225,600
- B RWF264,990
- C RWF266,208
- D RWF283,200
- E None of the above

**(2 marks)**

49. Kamana Ltd pays its employees by BACS every month and maintains a wages control account. A summary of last month's payroll transactions is shown below:

	RWF'000
Gross wages	82,914
Employer's national security contributions	6,630
Employees' national security contributions	4,900
Income tax	12,415

What is the journal entry to record the wages expense?

	RWF'000	RWF'000
A DEBIT Wages expense	89,544	
CREDIT Wages control		89,544
B DEBIT Wages control	89,544	
CREDIT Wages expense		89,544
C DEBIT Wages expense	101,959	
CREDIT Wages control		101,959
D DEBIT Wages expense	106,859	
CREDIT Wages control		106,859
E None of the above		

**(2 marks)**

50. Seraphine and Rene are in partnership, running a restaurant business, which is registered for VAT. On 1<sup>st</sup> December 2019, they purchase new catering equipment on credit for use in the business, and receive the following invoice, detailing costs associated with the new equipment, which the financial controller is about to record in the accounts:

Catering equipment	RWF78,500,000
Delivery	RWF950,000
One year's servicing	RWF2,200,000
VAT	RWF14,697,000
Invoice total	<b>RWF99,347,000</b>

What is the total value of capital expenditure on this invoice?

- A RWF78,500,000
- B RWF79,450,000
- C RWF81,650,000
- D RWF99,347,000
- E None of the above

**(2 marks)**

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**Total (100 marks)**

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