



CERTIFIED ACCOUNTING TECHNICIAN

STAGE 1 EXAMINATION

S1.1: RECORDING FINANCIAL TRANSACTIONS

DATE: TUESDAY 26, NOVEMBER 2024

MARKING GUIDE & MODEL ANSWERS

SECTION A

Question	Answer	Marks
1	D	2
2	A	2
3	D	2
4	A	2
5	C	2
6	D	2
7	B	2
8	A	2
9	A	2
10	D	2
11	D	2
12	A	2
13	B	2
14	B	2
15	A	2
16	D	2
17	B	2
18	B	2
19	A	2
20	A	2
21	A	2
22	D	2
23	B	2
24	D	2
25	B	2
26	D	2
27	B	2
28	A	2
29	C	2
30	C	2
31	D	2
32	B	2
33	D	2
34	A	2
35	B	2
36	C	2
37	A	2
38	A	2
39	B	2

40	B	2
41	A	2
42	A	2
43	B	2
44	A	2
45	D	2
46	C	2
47	B	2
48	A	2
49	D	2
50	B	2

QUESTION ONE

The correct answer is D

This defines a company and companies need not be businesses; for example, many charities are constituted as companies.

- A It is true that a business exists to manufacture goods for resale.
- B It is true that a business makes use of resources to create goods for resale.
- C It is true a business invest money to get more money in form of profits

QUESTION TWO

The correct answer is A

VAT for transactions is calculated as shown below

Product	Gross amount FRW	VAT amount FRW	Net price FRW
X	708,000.	$18/118 \times 708,000 = 108,000$	$708,000 - 108,000 = 600,000$
Y	$960,000 + 172,800 = 1,132,800$	$18/100 \times 960,000 = 172,800$	960,000

B is not correct because Product X VAT (FRW 108,000) is correct while Product Y VAT (FRW 168,000) is incorrect; the correct amount is FRW 172,800.

C is not correct because Product X VAT (FRW 172800) is incorrect; the correct amount is FRW 108,000. And also, Product Y VAT (FRW 180,000) is also incorrect; the correct amount is FRW 172,800.

D is not correct because Product X VAT (FRW 132,000) is incorrect; the correct amount is FRW 108,000 and also Product Y VAT (FRW 108,000) is also incorrect; the correct amount is FRW 172,800.

QUESTION THREE

The correct answer is D.

All these documents are required while payments are being made.

A Reason for Not Being Solely Correct: While crucial for initiating a transaction, it alone does not confirm the payment process.

B Reason for Not Being Solely Correct: An invoice is essential, but it typically needs accompanying documentation to authorize the payment.

C Reason for Not Being Solely Correct: While it helps document the transaction within the company, it may not provide all necessary details about the transaction itself.

QUESTION FOUR

The correct answer is **A**

All statements are true about a good coding system for financial transactions

QUESTION FIVE

The correct answer is **C**.

This is not true because an invoice is issued by the seller to the buyer, requesting payment for goods or services. A credit note is a separate document issued by the seller to acknowledge a return or adjustment.

A is not correct because the statement is true in some contexts, as an invoice may serve as a record for immediate cash transactions.

B is not correct because the statement is generally true; invoices are often paid upon receipt of goods, though payment terms can vary.

D is not correct because the statement is true; invoices are typically sent after delivery, requesting payment within specified terms.

QUESTION SIX

The correct answer is **D**.

All the statements are true about a good coding system for financial transactions.

QUESTION SEVEN

The correct answer is **B**

After correction of errors in posting as shown below

JENNIFFERS CASH BOOK			
Particulars	Amount	Particulars	Amount FRW
Standing order	478,000	Bal b/d	2,650,000
Bal c/d	<u>2,892,000</u>	Dishonoured cheque	<u>720,000</u>
	<u>3,370,000</u>		<u>3,370,000</u>

A is not the correct answer because dishonoured cheque not posted twice, hence double entry error.

C is not the correct answer because it does not reflect the correct computation

D is not the correct answer because this is a subtotal figure and not the balancing figure in the cashbook.

QUESTION EIGHT

The correct answer is **A**

After posting all the sales as shown below

Sales journal		
Date	Details	Amount FRW
6-Sep	Daniel	800,000
14-Sep	James	680,000
17-Sep	Cash sales	300,000
25-Sep	Kasinza	460,000
	Total sales	2,240,000

B is not the correct answer because it has excluded the cash sales from the sales journal.

C is not the correct answer because it is the total amount of purchases

D is not the correct answer because it the cash sales only.

QUESTION NINE

The correct answer is **A**.

An aged analysis of receivables gives details of what is due and for how long it has been outstanding.

B is not the correct answer because it has it shows how long amounts due to suppliers have been outstanding.

C is not the correct answer because it has this is an internal check.

D is not the correct answer because it has this shows what is due from customers in total not in detail.

QUESTION 10

The correct answer is **D**.

Total amount collected from paid invoices:

- FRW 500,000 (Invoice 1001) + FRW 300,000 (Invoice 1002) + FRW 700,000 (Invoice 1004) = FRW 1,500,000

Total credit notes applied:

- FRW 200,000 (Credit note C001) + FRW 150,000 (credit note C002) = FRW 350,000

Final amount collected

- FRW 1,500,000 - FRW 350,000 = FRW 1,150,000.

A is not the correct answer because FRW 1,450,000 considers only one credit note was issued. It does not account for the total reduction due to both credit notes.

B is not the correct answer because FRW 1,500,000 represents the total from all paid invoices without deducting any issued credit notes.

C is not the correct answer because FRW 1,350,000 incorrectly subtracts only one credit note (FRW 200,000 from Invoice 1002) from the total of paid invoices, failing to consider the additional credit note (FRW 150,000 from Invoice 1004).

QUESTION 11

The correct answer is D

After correct posting and balancing off the sales ledger as shown below

Sales a/c			
Details	Amount FRW	Details	Amount FRW
Cash		Cash sales(credit sales)	8,383,000
Bal c/d	<u>21,744,000</u>	Receivable	<u>13,361,000</u>
	<u>21,744,000</u>		<u>21,744,000</u>

A is not the correct answer because cash receipt from credit customers should not be debited in the sales account

B is not the correct answer because cash receipts from credit customers should not be debited in the sales account but rather accounts receivable

C is not the correct answer because it is the receivable balance

QUESTION 12

The correct answer is A

It has computed total gross cash receipts and respective debts done in cash account, and credits on sales and sales tax respectively. The computations are as show in the table below

		Net price FRW	Sales tax FRW	Gross sale FRW
10-Feb	To Maurice	504,896	88,945	593,841
19-Feb	Jean	935,236	163,502	1,098,738
28-Feb	To Pierre	562,449	98,101	660,550
	Total	2,002,581	350,548	2,353,129

B is not the correct answer due to debiting the wrong amounts in cash i.e. 2,002,581 instead of 2,353,129

C is not the correct answer due to wrong debit of 2,353,129 in sales account and wrong credit of 2,002,581 in sales account

D is not the correct answer due to wrong credit of 660,550 in sales tax account

QUESTION 13

The correct answer is B.

The account receivable remains until settled in full by the customer.

A is not the correct answer because the statement describes a trade payable

C is not the correct answer because the statement describes a loan payable.

D is not the correct answer because the statement is only true if the person who purchased the goods has not yet paid for them

QUESTION 14

The correct answer is B

Because benefit contribution is an additional tax levied on employers. It is not deducted from salaries; it is paid in addition to gross salaries. For the employer it is part of the cost of employing somebody.

A is not the correct answer because it is true Income tax is deducted from the employee salary

C is not the correct answer because it is true Employees social security is deducted from the salary

D is not the correct answer because it is true Employee contributions to the pension scheme is deducted from the salary

QUESTION 15

The correct answer is A

Because VAT is tax levied on the sale of goods and services which is administered by the government.

B is not the correct answer because Income or corporation tax is payable by a business upon its taxable profits.

C is not the correct answer because the government administer VAT but the collection work is done by VAT registered traders who must pay over any VAT due to the government.

D is not the correct answer because VAT is not a tax levied on salaries earned by employees

QUESTION 16

The correct answer is **D**.

Total debit column of trial balance is shown below

Gilbert trial balance as at 31 December 2023		
	Dr FRW	Cr FRW
Sales		767,000
Purchases	268,000	
Non-current assets	314,000	
Payables		182,000
Receivables	323,000	
Cash at bank	142,000	
Capital		98,000
Total	1,047,000	1,047,000

A is not the correct answer because capital is debited in the trial balance instead of crediting

B is not the correct answer because are payables debited in the trail balance instead of crediting

C is not the correct answer because is cash omitted in the trial balance

QUESTION 17

Correct Answer is B:

It involves establishing a maximum amount of cash, which is replenished periodically based on receipts and disbursements.

A is not correct because the imprest system operates with a fixed amount of petty cash, not a running total without limits. Transactions are tracked, but the fund itself remains constant until replenished.

C is not correct because the imprest system does not allow for unlimited withdrawals. Instead, it limits the amount that can be spent from the fixed petty cash fund, which is only replenished based on documented expenses.

D is not correct because the imprest system requires tracking petty cash transactions to replenish the fund accurately. All expenses are documented through receipts, which are then recorded in the general ledger, ensuring accountability.

QUESTION 18

The correct answer is B:

'Returns inwards' is an alternative term used to describe sales returns. So, the correct entries should be: DR sales returns FRW 50,000, DR VAT FRW 6,000, CR receivables ledger control FRW 56,000

A is not the correct answer because 'Returns inwards' refers to sales returns not purchases returns

C is not correct because the VAT account has been posted on the wrong side and the net figure should be posted

to the general sales returns account.

D is not the correct answer because Returns inwards refer to sales returns not purchase returns. Remember that 'returns inwards' are returned into the company by customers (and so are returns of sales), while 'returns outwards' are returned out of the company to a supplier (and so are returns of purchases).

QUESTION 19

The correct answer is A

options (i), (iii), and (iv) are reasons for a bank to return or dishonour a cheque, making option A the correct choice.

B This answer is not correct because While (i), (iii), and (iv) are valid, (ii) is incorrect because a cheque being less than a guaranteed amount does not automatically result in dishonouring it unless specific conditions apply.

C is not the correct answer because (i), (ii), (iv) correctly identifies (i) and (iv) as valid reasons, but (ii) is included, which is not a valid reason for dishonouring a cheque.

D is not the correct answer because (ii), (iii), (iv) incorrectly includes (ii) as a reason. While (iii) and (iv) are valid, (ii) does not constitute a legitimate basis for dishonouring a cheque.

QUESTION 20

The correct answer is A

This is classified as a non-current asset because it is a tangible asset that is used in the business and expected to generate economic benefits to the entity for the period of more than one year.

B is not the correct answer because Payables is a current asset

C is not the correct answer because discounts allowed is an expense

D is not the correct answer because Receivables is a current asset

QUESTION 21

The correct answer is A.

Total of the balance payable's ledger is shown below

Payables ledger			
Details	Amount FRW	Details	Amount FRW
contra	269,000	Bal b/d	4,105,000
Bal c/d	4,736,000	Purchase	900,000
	5,005,000		5,005,000

B is not the correct answer because total figure on the credit side in the payable's ledger

C is not the correct answer because it is the amount for correcting the double entry error

D is not the correct answer because it is the Bal b/d on the payable's ledger

QUESTION 22

The correct answer is D.

Because petty cashiers do not authorize payments and therefore should not sign the petty cash voucher.

A is not the correct answer because the purpose for which the payment is made is important

B is not the correct answer because the name and signature of the person receiving the cash is important for accountability

C is not the correct answer because authorizing signature helps to distinguish between different authorizing officers for different expenditures

QUESTION 23

The correct answer is B

The provision for doubtful debts is calculated below

Receivables 31 August 2022	Bad debts	Net receivables	Provision for doubtful debts
27,000,000	1,800,000.00	27,000,000 - 1,800,000 =25,200,000	25,200,000 *3%= 756,000

A is not the answer because it is the net receivables at year end

C is not the answer because it is the receivables balance at beginning minus the provision

D is not the answer because it is the bad debts for the period

QUESTION 24

The correct answer is **D**.

A bank reconciliation statement which is produced to agree the balance at bank with the cash book balance for a business

A is not the answer because it is a bank statement

B is not the answer because it is part of the information extracted from a cash book.

C is not the answer because this information would come from an analyzed cash book

QUESTION 25

The correct answer is **B**

It is the correct answer because as per accounting equation, the Capital account is equals to Total Assets less Total liabilities. The accurate calculation based on the accounting equation: Total Assets (FRW 12,900,000) minus Total Liabilities (FRW 4,800,000) results in FRW 8,100,000. As illustrated below:

Assets:		
Motor Vehicle		3,000,000
Furniture		7,000,000
Stock		2,000,000
Cash at bank		600,000
Cash in hand		<u>300,000</u>
Total assets		12,900,000
Liabilities:		
Creditors	800,000	
Loan - D Evans	4,000,000	
Total liabilities		<u>(4,800,000)</u>
Capital		<u>8,100,000</u>

A is not correct because FRW 6,100,000 does not reflect the correct subtraction of total liabilities from total assets. As stock has been omitted

C is not correct because FRW 10,000,000 considers the addition of non-current assets only.

D is not correct because FRW 7,500,000 the value does not align with the calculated equity based on the provided total assets and liabilities. It appears arbitrary and does not derive from the correct arithmetic.

QUESTION 26

The correct answer is **D**.

Because the discrepancy should not be taken to a personal account but rather any discrepancy that is large should be investigated, but if it is small then it may be ignored, depending on company policy

A is not the correct answer because counting the cash is correct procedure

B is not the correct answer because adding up, on a separate piece of paper, how much cash you are banking is correct procedure

C is not the correct answer because comparing the calculated total to the total according to the cash register is correct procedure

QUESTION 27

The correct answer is **B**

After reimbursement the petty cashbook is shown below

Petty cashbook						
Receipts	Date	Detail	Payments	Expenses		
			Amount	Postage FRW	Cleaning FRW	Travel
2,000,000	1-Mar	Bal b/d				
	1-Mar	Stamps	80,000	80,000		
	2-Mar	Bus Fare	120,000			120,000
	3-Mar	Cleaning Materials	240,000		240,000	
	3-Mar	Fuel	150,000			150,00
	3-Mar	Cleaning wages	300,000		300,000	
	4-Mar	Stamps	200,000	200,000		
	4-Mar	Pierre	400,000			
	5-Mar	Fuel	<u>150,000</u>			<u>150,000</u>
-			1,640,000	280,000	540,000	270,000
1,640,000	5-Mar					
<u>3,640,000</u>	5-Mar	Bal c/d	2,000,000			
			3,640,000			
2,000,000	6-Mar	Bal b/d				

A is not the correct answer because FRW 360,000 represents the remaining cash after deducting the total expenditures from the initial float. However, it does not consider that the cashier requested a refund for the total amount spent, which replenishes the cash float back to the full amount.

C is not the correct answer because FRW 1,000,000 does not relate to any calculations made from the initial cash float or the total expenditures. It is not reflective of any stage in the petty cash transactions

D is not the correct answer because FRW 200,000 does not reflect the actual remaining cash after expenses or after the refund. It doesn't account for the total expenditures or the reimbursement process.

QUESTION 28

The correct answer is A: The purchase day book is used to keep a list of all of the invoices received from suppliers of goods and services to the business

- A** is not the correct answer because is the purchase returns day book lists the credit notes received when goods are returned to suppliers.
- B** is not the correct answer because the Sales day book is a list of all invoices sent out to credit customers each day.
- C** is not the correct answer because when customers return goods for some reason, the returns are recorded in the sales return's day book

QUESTION 29

The correct answer is C

Trade customers usually send a remittance advice with their payment.

- A** It is sent to a customer to advise them of the amount due: This is incorrect because a remittance advice note is not typically used to inform customers of amounts due.
- B** It is sent to the bank to instruct them to make a payment: This is incorrect as remittance advice is not an instruction to the bank; it serves a different purpose.
- D** It is an internal document recording amounts received from customers: This is incorrect because remittance advice notes are typically external documents sent to suppliers rather than internal records.

QUESTION 30

The correct answer is C.

Because all are valid reasons for keeping a payables ledger control account

- A** is not correct answer because it has omitted one reasons for keeping a payables ledger control account
- B** is not correct answer because it has omitted one reasons for keeping a payables ledger control account
- D** is not correct answer because it has omitted one reasons for keeping a payables ledger control account

QUESTION 31

The correct answer is D

Because a cheque is not an electronic method of money transfer.; it is a traditional paper method for making payments.

A is not the correct answer because BACS direct credit is an electronic method of money transfer that deposit money by a payer directly into a payee's bank account

B is not a correct answer because CHAPS (Clearing House Automated Payment System) is an electronic method of money transfer that is an instruction by a business to its bank to move money to the recipient's account at another bank so that the funds are available the same working day.

C is not the correct answer because Faster payments is an electronic method of money transfer that enables customers to send same-day payments from their bank account to the recipient's bank account.

QUESTION 32

The correct answer is B

Bank statement is one sent to customers of a bank itemizing the account balances, payments and receipts for an account in a month

A This is a bank reconciliation statement.

C This is part of the information extracted from a cash book.

D This information would come from an analyzed cash book.

QUESTION 33

The correct answer is D.

Codes help eliminate error but fraud is intentionally done by humans through manipulating while keying in financial data

A A is not the answer because it is true about coding

B B is not the answer because it is true about coding

C C is not the answer because it is true about coding

QUESTION 34

The correct answer is A

The amount to be drawn are calculated as shown below

	FRW
Cash balance	32,000
From bank	<u>63,000</u>
Float balance	95,000
less spent cash	<u>(26,000)</u>
Balance carried forward	<u>69,000</u>

B is not the correct answer because it is the total imprest amount

C is not the answer because it is the amount that was spent during the month

D is not the answer because it's the amount drawn from the bank in the previous month

QUESTION 35

The correct answer is B.

Because capital expenditure is the amount spent on the acquisition of a non-current asset or adding value to a non-current asset.

	FRW
Purchase of an extra motor van.	5,000,000
Cost of rebuilding warehouse wall, which had fallen down.	1,100,000
Building extension to the warehouse.	40,000,000
Painting extension to warehouse when it is first built.	785,000
Total	46,885,000

A is not the answer because it includes some revenue expenditures

C is not the answer because it has left out some capital expenditures

D is not the answer because it is a repainting is part of revenue expenditure

QUESTION 36

The correct answer is C

Credit Card: Offers instant processing, allowing for immediate transaction confirmation.

A is not the answer because Bank Transfer: Typically takes 1-3 business days for processing.

B is not the answer because Cheque: Can take several days to clear, depending on bank processing times.

D is not the answer because Direct Debit: Usually processed within a few days but requires prior authorization.

QUESTION 37

The correct answer is **A**

The correct reconciliation considers all adjustments to arrive at A) FRW 99,515, which reflects both the updated cashbook balance and the reconciled bank statement balance.

	FRW
Cash book Bal b/d	80,515
add undercast	19,000
updated cashbook balance	99,515
Bank reconciliation	
Cash balance as per bank statement	111,230
Less: Unpresented cheques	32,535
add: Uncredited cheques	20,820
Balance as per updated cashbook	99,515

B is not the answer because this is the initial bank statement balance and does not account for the adjustments needed due to the outstanding cheques and the cashbook undercast. It simply reflects the bank's recorded amount without reconciliation.

C is not the answer because this option mistakenly adds the cheques paid in not yet credited (FRW 20,820) to the bank statement balance (FRW 111,230) without subtracting the cheques drawn not yet presented (FRW 32,535). The correct reconciliation process requires accounting for both these items.

D is not the answer because is the original cashbook balance before any adjustments are made. It does not reflect the necessary updates due to the undercast of FRW 19,000 or any other items affecting the bank balance.

QUESTION 38

The correct answer is **A**.

payables ledger control account should match the total of all individual supplier accounts, reflecting the total amount owed to suppliers.

B is not the answer because the statements describe the receivables

C is not the answer because we are dealing with payables ledger while the statement is making reference to receivables ledger

D is not the answer because we are dealing with payables ledger while the statement is describing receivables ledger

QUESTION 39

The correct answer is **B**

The petty cash book is the book of prime entry which keeps a cumulative record of the small amounts of cash received into and paid out of the cash float.

A is not the answer because the general is the accounting record which summarizes the financial affairs of a business

C is not the answer because the cashbook is a book of prime entry used to keep a cumulative record of money received and money paid out by the business via its bank account.

D is not the answer because the purchase returns day book is kept to record credit notes received in respect of goods which the business sends back to its suppliers

QUESTION 40

The Correct answer is **B**

Purchase invoices are recorded in the purchase daybook and are summarized and posted to the payable's ledger.

A is not the answer because sales invoices are recorded in the sales daybook, not the sales returns daybook.

C is not the answer because cash received is recorded in the cash book and posted to the ledger accounts, not the journal.

D is not the answer because adjustments to financial statements are not typically recorded in the cash book; they are made directly in the general ledger.

QUESTION 41

The correct answer is **A**.

The cheque should be paid only into the account of the named payee

B Is not the answer because you cannot draw a cheque to self the cheque should be paid only into the account of the named drawer

C is not the answer because it contradicts the answer in A above

D is not the answer because it will be fraudulent

QUESTION 42

The correct answer is **A**

Because unpresented are Cheques issued by the firm for payment to the creditors or to other supplies but have not been presented to the firm's bank for payment.

B is not the answer because uncredited received from customers and other sources for which the firm has banked but the bank has not yet availed the funds by crediting the firm's account.

C is not the answer it is explaining about errors that will have an effect of increasing the balance at bank

D is not the answer because it is explaining about bank reconciliation

QUESTION 43

The correct answer is **B**

Suppliers may impose stricter credit terms or penalties.

A This option is incorrect because having a significant amount of payables in the 61-90 days and over 90 days categories typically indicate poor cash flow management. It suggests that the company is delaying payments, which can be a sign of cash flow issues.

C While rapid growth in sales could lead to higher payables, it does not explain the specific issue of delayed payments. Increased payables without timely payments can actually strain relationships with suppliers and may be unrelated to sales growth.

D This option is incorrect because effectively utilizing early payment discounts means paying suppliers promptly to take advantage of discounts. A high percentage of overdue payables indicates the opposite—delays in payment and missed opportunities for discounts.

QUESTION 44

The correct answer is **A**.

The correct entries are: Debit Petty Cash RWF 9,000,000; Credit Expenses RWF 7,627,118; Credit VAT Payable RWF 1,372,882

The total cost is RWF 9,000,000, which includes VAT.

The VAT portion can be calculated as follows:

- Net cost = Total cost / (1 + VAT rate) = RWF 9,000,000 / 1.18 = RWF 7,627,118
- VAT = Total cost - Net cost = RWF 9,000,000 - RWF 7,627,119 = RWF 1,372,882.

B is not correct because this entry incorrectly treats the entire amount as an expense. The total amount includes VAT, so the expense should only reflect the net amount (exclusive of VAT), which is RWF 7,627,118.

C is not correct because this entry is not structured correctly. It incorrectly debits petty cash instead of recognizing that the purchase was made from petty cash. The cash balance should

not be credited for the total amount. Instead, the entry should reflect a total debit to petty cash for the inclusive amount.

D is not correct because while this entry correctly reflects the net expense and VAT, it erroneously debits VAT Payable instead of crediting it. The VAT should be recognized as a liability (credit VAT Payable), as it represents tax owed to the government, not an expense.

QUESTION 45

The Correct Answer is **D**.

The sales account in the general ledger reflects total sales made, which includes both cash and credit sales as calculated below:

Total Sales: Cash Sales + Credit Sales

= FRW 6,400,000 + FRW 10,200,000 = FRW 16,600,000

A FRW 6,400,000: is not correct because it only accounts for cash sales and does not include credit sales.

B FRW 10,200,000: is not correct because it reflects only the total amount of credit sales and ignores cash sales.

C FRW 8,000,000: is not correct because it does not correspond to any combination of cash or credit sales recorded.

QUESTION 46

The correct answer is **C**

Petty cash payments These are usually handled manually and are not processed through automated credit systems.

A is not the correct answer because Standing order is typically processed through automated credit systems for recurring payments.

B is not the correct answer because Monthly Salaries can be automated through payroll systems.

D is not the correct answer because Direct debits are also processed automatically for recurring payments from a customer's account.

QUESTION 47

The correct answer is **B**.

Sales return is used to document returns of goods sold to customers, detailing reasons and quantities

A This is not correct because the sales returns day book specifically records only the returns of goods sold, not all sales transactions. Sales transactions are recorded in the sales day book.

C is not correct because tracking payments received is done through accounts receivable or cash receipts journals, not the sales returns day book, which focuses solely on returned goods.

D is not correct because the sales return's day book does not deal with inventory purchases. Instead, it records returns of goods that have already been sold to customers.

QUESTION 48

The correct answer is **A**.

The balance of the account receivable control account is calculated below

	FRW
Bal b/d	100,000
add credit sales	500,000
less bad debts	20,000
less cash received	350,000
Receivables ending balance	230,000

B option is incorrect because it does not account correctly for the total cash received and bad debts. It incorrectly assumes an additional amount rather than deducting the necessary values.

C This option is incorrect as it appears to miscalculate the total by possibly ignoring the deductions from cash received and bad debts written off. It suggests an incorrect balance without considering the transactions that reduce the receivables.

D This option is incorrect because it only reflects the credit sales amount and does not consider the opening balance or the deductions for cash received and bad debts written off. It fails to provide a realistic balance of receivables after accounting for all transactions.

QUESTION 49

The correct answer is **D**

Competitors are not entitled to access any confidential information stored by the organization.

A is not correct because Customers may have access to certain information, especially related to their transactions or services.

B is not correct because Owners of the organization are entitled to access financial and operational information.

C is not correct because Government agencies may require access to specific information for regulatory purposes.

QUESTION 50

The correct answer is **B**.

Receivables ledger tracks amounts owed by customers for credit sales

A is not correct because the receivables ledger specifically focuses on credit transactions and amounts owed by customers, not cash transactions.

C is not correct because managing inventory and stock purchases falls under inventory management, not the receivables ledger. The receivables ledger does not deal with inventory.

D is not correct because profit and loss statements are financial statements that summarize revenues and expenses over a specific period. The receivables ledger is concerned only with tracking amounts owed by customers, not summarizing financial performance.

End of marking guide and model answers