



**ICPAR**  
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**CERTIFIED ACCOUNTING TECHNICIAN**  
**STAGE 1 EXAMINATIONS**  
**S.1.1: RECORDING FINANCIAL TRANSACTIONS**  
**DATE: TUESDAY, 29 MARCH 2022**

**INSTRUCTIONS:**

- 1. Time Allowed: 2 hours and 30 minutes**
- 2. This examination has one section only: Section A**
- 3. Section A has 50 compulsory multiple-choice questions, each question has two (2) marks**
- 4. The question paper should not be taken out of the examination room**

## SECTION A

### **QUESTION ONE**

**Which one of the following statements reflect the purpose of purchase and purchase return daybook?**

- A Purchase and purchase return daybook record all the purchase of the business made on credit held for sale and all return outwards made by the business, respectively.
- B Purchase and purchase return daybook record all the purchase of the business made on credit and on cash held for sale and all return outwards made by the business, respectively.
- C Purchase and purchase return daybook record all purchase, expenses paid on behalf of the business and return inwards and return outward made by business respectively.
- D Purchase and purchase return daybook record purchases and revenue made by the business

**(2 Marks)**

### **QUESTION TWO**

**Which of the following is not included in basic information recorded in purchase daybook?**

- i) Transaction date
- ii) Name of supplier
- iii) Supplier invoice number
- iv) value of goods returned to the supplier
- v) Date of goods was returned to the supplier

- A (i) and (ii)
- B (iii) only
- C (i), (iii) and (iv)
- D (v) and (iv)

**(2 Marks)**

### **QUESTION THREE**

**Which of the following is not included in the main books of prime entry?**

- i) Sales daybook
- ii) Purchase daybook
- iii) Petty cash book
- iv) Cash book
- v) General ledger
- vi) Trial balance

- A (i) only
- B (ii) and (iii)
- C (ii) only
- D (v) and (vi)

**(2 Marks)**

#### QUESTION FOUR

Which of the following is the meaning of petty cash book?

- A Petty cash is the book of prime entry which record all transaction made by business on cash basis
- B Petty cash is the book of prime entry which keeps a cumulative record of small amounts of cash received into and paid out of the cash float.
- C Petty cash is the book of prime entry used to keep cumulative record of money received and money paid out by the business via its bank account.
- D Petty cash book is the books of prime entry which record money taken out by the owner for his or her personal use.

**(2 Marks)**

#### QUESTION FIVE

Mukamana has started business on 1 May 2021. The following are the transaction made in the first month.

- i) Salaries and wages FRW 450,000
- ii) Purchase of office furniture FRW 1,000,000
- iii) Postage and stamp FRW 5,000
- iv) Taxi fares FRW 3,000
- v) Payment of supplier FRW 6,000,000

Which of the following should be recorded in petty cash book?

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

**(2 Marks)**

#### QUESTION SIX

Which of the following describe the term "Credit note"?

- A Credit note is issued by seller to cancel part or all of previous issued invoice(s)
- B Credit note is issued by customer to supplier to cancel part or all previous issued invoice(s)
- C Credit note is issued by seller to remind the customer all pending unpaid invoice
- D Credit note is issued by seller when he/she deliver goods to the customer

**(2 Marks)**

#### QUESTION SEVEN

Baho Ltd purchase goods on credit with price list of FRW 1,000,000 subject to 2% trade discount. Baho Ltd is allowed 1% cash discount for the payment made within 20 days after receiving invoice. Assuming discount is taken, **how much Baho Ltd will pay?** (Ignore VAT)

- A FRW 980,000
- B FRW 970,200
- C FRW 970,000
- D FRW 990,000

**(2 Marks)**

### QUESTION EIGHT

Which of the following is not the control should be taken in order to ensure the safeness of cash held in petty cash?

- A All payment made out by petty cash book must properly authorized
- B All payment made out by petty cash book should be evidenced by voucher
- C Reconciliation of the amount held in cash book and bank account
- D Segregation of roles

(2 Marks)

### QUESTION NINE

ABC Ltd has made the following transaction during year ended 30 December 2020.

- 1) On 10 April 2020 Purchase of goods FRW 200,000. ABC Ltd paid FRW 100,000 by cash while FRW 100,000 was taken on credit
- 2) On 15 May 2020 purchase goods on credit amounting to FRW 300,000
- 3) On 16 September 2020 purchase goods by cash amounting to FRW 140,000
- 4) On 9 October 2020 made sales of goods on credit amounting to FRW 400,000

What is the total amount that should be recorded in the purchase daybook?

- A FRW 400,000
- B FRW 500,000
- C FRW 300,000
- D FRW 1,040,000

(2 Marks)

### QUESTION 10

Which of the following should be recorded in purchase return daybook?

- A Credit sales made to Uwimana FRW 300,000
- B Cash sales made to Rukondo FRW 600,000
- C Purchase goods on credit from Dusenge FRW 100,000
- D Return of goods whose value FRW 10,000 to Dusenge

(2 Marks)

### QUESTION 11

Which of the following is not the content of the petty cash voucher?

- A The amount paid and the date of payment
- B The name and signature of the person receiving the cash
- C The authorizing signature of the person who authorized the payment
- D Periodic cash count statement

(2 Marks)

### QUESTION 12

The following transaction was extract from the Agnes business. Agnes started business with cash at bank totaling FRW 500,000 and house whose value is FRW 5,000,000.

Basing on the principle of accounting equation which of the following is the value of the capital of Agnes business.

- A FRW 500,000
- B FRW 5,500,000
- C FRW 5,000,000
- D None of the above

**(2 Marks)**

### QUESTION 13

Which of the following statements describe the aged payables analysis?

- A It identifies when the Payment are due to be made to supplier
- B It provides information about debt collection efficiency to the management
- C Above answers are correct
- D None above is correct

**(2 Marks)**

### QUESTION 14

Iradukunda co Ltd started business at the beginning of May. During May, sale daybook and sales return of Iradukunda Co Ltd showed the following transaction.

#### Sales daybook

Date	Name	Invoice	Gross sales FRW	VAT FRW	Net sale FRW
3 May	Eric	1034	118,000	18,000	100,000
5 May	Claude	1035	236,000	36,000	200,000
10 May	Eric	1036	354,000	54,000	300,000
21 May	Eric	1037	236,000	36,000	200,000

#### Sales return daybook

Date	Name	Credit note	Gross return FRW	VAT FRW	Net return FRW
5 May	Eric	0064	11,800	1,800	10,000
7 May	Claude	0065	23,600	3,600	20,000

During May, Iradukunda co Ltd received the following payment for the sales made on credit

	FRW
Eric	300,000
Claude	212,400

Which of the following are the balance that should be shown by individual receivable ledger?

- A Eric FRW 290,000 & Claude FRW (32,400)
- B Eric FRW 396,200 & Claude FRW 0

- C Eric FRW 600,000 & Claude FRW 200,000
- D Eric FRW 708,000 & Claude FRW 236,000

**(2 Marks)**

**QUESTION 15**

Nyirabishangari co started trading business and the following transactions were extract from the prime books of account.

- 10 July 2020 Nyirabishangari co purchased goods on credit amounting to FRW 200,000 from kalisa and is allowed discount 10% if he paid within 20 days after receiving the invoice.
- 15 July 2020 Nyirabishangari co return the goods whose value is FRW 20,000 to kalisa
- 16 July 2020 Nyirabishangari co purchase good by cash amounting to FRW 100,000 from kalisa
- 20 July 2020 Nyirabishangari co purchase the goods on credit amounting to FRW 150,000 from kalisa and is allowed discount of 10% if he paid within 10 days after receiving the invoice

Assuming that the discount of 10 July was taken while the discount of 20 July 2020 was not taken and until now nyarabishangari co not yet paid.

**Which of the following will show as balance in purchase (payables control account) of Nyirabishangari co Ltd? (Ignore VAT)**

- A FRW 350,000
- B FRW 450,000
- C FRW 150,000
- D FRW 312,000

**(2 Marks)**

**QUESTION 16**

**Which of the following statements describe the inputs Value Added Tax (VAT)?**

- A Input VAT is VAT which you collect when you are selling goods and services of the business
- B Input VAT is VAT paid to the tax authority (RRA) each period
- C Input VAT is VAT claimed from tax authority when you trade the zero related product
- D Input VAT is VAT which included in the price when you purchase goods and service of the business.

**(2 Marks)**

**QUESTION 17**

The following transaction were extract from books of account.

- Sales of goods and services FRW 120,000 VAT inclusive
- Sales of goods and services FRW 300,000 VAT inclusive
- Purchase of goods and services FRW 100,000 VAT exclusive
- Purchase of goods and services FRW 80,000 VAT exclusive

**What is the VAT Payables to RRA, if the VAT rate is 18 %?**

- A FRW 43,200
- B FRW 36,611
- C FRW 31,668
- D FRW 48,143

**(2 Marks)**

**QUESTION 18**

**Which of the following is the correct entry when we make sales of FRW 10,000 VAT inclusive? VAT rate is 18%.**

- A DR Cash FRW 10,000, Cr VAT FRW 1,800 and Cr sales FRW 8,200
- B Dr Cash FRW 10,000, Cr Sales FRW 10,000
- C Dr Cash FRW 11,525, Cr VAT FRW 1525, Cr sales FRW 10,000
- D Dr Cash FRW 10,000, Cr VAT FRW 1,525, Cr Sales FRW 8,475

**(2 Marks)**

**QUESTION 19**

If the Return outward amounting FRW 50,000 was posted into credit side of purchase (Payables) ledger control account, **which of the following statement is correct?**

- A Purchase (Payables) Ledger control account balance was understated by FRW 50,000
- B Purchase (Payables) Ledger control account balance was overstated by FRW 100,000
- C Purchase (Payables) Ledger control account was fairly stated
- D Purchase (payables) ledger control account balance was overstated by FRW 50,000

**(2 Marks)**

**QUESTION 20**

**Which of the following items will appear as item posted to the payables control account?**

- A Bad debts written-off
- B Return inwards of the period
- C Trade discount received in total in the period
- D Settlement discounts received in total in period

**(2 Marks)**

**QUESTION 21**

In the reconcile the payables control account the following discrepancies were noted: Credit note for FRW 105,000 has been posted to the wrong side of control account, an account amounting to FRW 348,000 was omitted from list of payables ledger balance, the payable ledger has not been adjusted for receivables ledger offset of FRW 2,055,000. The balance payables on the payables control account is FRW 3,627,000. The balance on the payable's ledger is FRW 5,124,000.

**Which of the following is reconciled balance?**

- A FRW 3,627,000
- B FRW 3,069,000
- C FRW 3,417,000
- D FRW 3,765,000

**(2 Marks)**

**QUESTION 22**

Kavamahanga has balance of FRW 3,000,000 on its payables control account at the end of June

**What does this mean?**

- A He has bought FRW 3,000,000 of goods in June
- B He is owed FRW 3,000,000 by its customers
- C He owes FRW 3,000,000 to its suppliers
- D He has paid FRW 3,000,000 to its suppliers

**(2 Marks)**

**QUESTION 23**

Rukundo' payables control account at year end stand at FRW 10,000,000. which of the following statements are correct?

- A Suppliers owe Rukundo FRW 10,000,000
- B Rukundo owes FRW 10,000,000 to suppliers
- C Rukundo made cash purchase of FRW 10,000,000
- D Rukundo has supplied FRW 10,000,000 worth of goods on credit

**(2 Marks)**

**QUESTION 24**

Business has the following transaction in the first month of May 2020

- Receipt of cash from customer A of FRW 100,000
- Cheque paid to B of FRW 300,000
- Receipts of cash from C of FRW 80,000
- Receipts of Cash from a customer D of FRW 50,000

**Which of the following amount that should be shown as cash receipts for the first month?**

- A FRW 230,000
- B FRW 530,000
- C FRW 130,000
- D FRW 180,000

**(2 Marks)**



**QUESTION 25**

**Which of the following are the content of the three-column cash book?**

- A Bank, cash and VAT
- B Bank, cash and discount
- C Receipt side and Payment side
- D All above are correct

**(2 Marks)**

**QUESTION 26**

**Non-current asset is disposed for cash of FRW 400,000, where is the cash receipt recorded?**

- A Purchases account
- B Sale account
- C Cash book (receipts)
- D Customer ledger account

**(2 Marks)**

**QUESTION 27**

**Which of the following will mean the bank reconciliation statement?**

- A Bank reconciliation statement is statement that produce agree of bank balance with cash book balance for the business
- B Bank reconciliation statement is statement that show the balance that was on bank account
- C Bank reconciliation statement is statement that show the balance was on the cashbook
- D Bank reconciliation statement is statement that show summary of payment and receipt of the amount of the business

**(2 Marks)**

**QUESTION 28**

**Cash book of Kamana showed balance in hand of FRW 1,000,000, the bank statement showed a credit balance of FRW 1,200,000. cheques collected but not yet presented to the bank of FRW 350,000, what of the following is unrepresented cheques?**

- A FRW 150,000
- B FRW 200,000
- C FRW 550,000
- D None of the above

**(2 Marks)**

**QUESTION 29**

**In Manizabayo's cash book for the month of June the trade receivables column was amounting to FRW 10,000,000**

**Which of the following statement is correct?**

- A The amount invoiced to Manizabayo's customers during June
- B The amount owed by Manizabayo's customers at the end of June
- C Amount received from Manizabayo's customers during June
- D The amount of goods Returned by manizabayo's customers during June

**(2 Marks)**

**QUESTION 30**

**Which of the following books of prime entry records cash discount?**

- A Cash book
- B Petty cash
- C Sales daybook
- D Purchase daybook

**(2 Marks)**

**QUESTION 31**

Petty cash imprest is FRW 10,000. During the end of June surprise cash count was done by supervisor and reveal the following: cash in hand was FRW 900 and valid voucher to the value of FRW 7,900 were produced by cashier. **How much cash is missing?**

- A FRW 1,200
- B FRW 3,000
- C FRW 17,000
- D None of the above

**(2 Marks)**

**QUESTION 32**

You company has petty cash imprest of FRW 15,000 and want to be increased to FRW 16,000. at the end of the month, the cash in hand was FRW 1,140 and receipts and vouchers totaled FRW 13,460. **how much to top up to increase the imprest?**

- A FRW 17,140
- B FRW 14,860
- C FRW 12,860
- D FRW 15,140

**(2 Marks)**

**QUESTION 33**

During the month of October 2020, business had total outstanding debts of FRW 16,000. The following are transaction took place in the November 2020.

1. Credit sales amount to FRW 100,000
2. Payment from various customer amount to FRW 98,000
3. Bad debts written-off FRW 3,600
4. Sales return of FRW 7,119 VAT exclusive

**Which of the following is the balance of carried down and brought down in the following month? Assume VAT rate is 18%.**

- A FRW 7,281
- B FRW 21,519
- C FRW 14,481
- D FRW 6,000

**(2 Marks)**

**QUESTION 34**

**Which of the following is not included in the reasons of written off irrecoverable debts?**

- A Customer has gone bankrupt
- B Dishonesty may be involved
- C Customer in another country might be prevented from paying by the unexpected introduction of foreign exchange control restriction by their country's government during the credit period
- D Previous experience of customer delay to pay

**(2 Marks)**

**QUESTION 35**

**Which of the following is the control account?**

- A Sundry expenses control account
- B Cash control account
- C Receivables control account
- D Bank reconciliation

**(2 Marks)**

**QUESTION 36**

**Which of the following are the type of internal control?**

- A Authorization and segregation of duties
- B Control accounts reconciliation
- C Trial balance and Bank reconciliation
- D All of above are correct

**(2 Marks)**

**QUESTION 37**

**Nyirarukundo trading business written-off the irrecoverable debts totaling FRW 3,000,000. which of the following are the correct entry to be passed? Ignore VAT**

- A Dr Individual account of customer FRW 3,000,000 and Cr: Irrecoverable debt expenses FRW 3,000,000
- B Dr Irrecoverable debt expenses FRW FRW 3,000,000 and Cr: Receivable control account FRW 3,000,000
- C Dr Receivable control account FRW 3,000,000 and Cr: Irrecoverable debt expenses FRW 3,000,000
- D Dr Irrecoverable debt expenses FRW FRW 3,000,000 and Cr: Personnel account of customer FRW 3,000,000

**(2 Marks)**

### QUESTION 38

Which of the following define trial balance?

- A Trial balance is the accounting report that lists the balance of each business' general ledger.
- B Trial balance is the list of balance extract from customer account
- C Trial balance is an accounting document which business must prepare
- D Trial balance is the list of all transactions which have occurred in period taken from ledger account

**(2 Marks)**

### QUESTION 39

The following balance was extract from trial balance of Uwingabiye Ltd.

- Rent expenses FRW 1,000,000
- Capital FRW 10,000,000
- Purchases FRW 5,000,000
- Sales FRW 3,000,000
- Wages FRW 4,000,000
- Cash FRW 2,000,000
- Sundry expenses FRW 1,000,000

Which of the following is the trial balance of total debit side?

- A FRW 12,000,000
- B FRW 13,000,000
- C FRW 16,000,000
- D FRW 11,000,000

**(2 Marks)**

### QUESTION 40

Which of the following error is disclosed by Trial balance?

- A Complete omission of transaction
- B Compensating errors
- C Errors of transposition
- D Error of principle

**(2 Marks)**

### QUESTION 41

Which of the following errors will be classified as the error of principle?

- A Bookkeepers receive the invoice from the supplier of FRW 1,200,000 and transaction was omitted to record in the book of account.
- B Cash sales of FRW 2,350,000 was recorded in correct account as FRW 2,530,000
- C Payment of wages of FRW 400,000 was recorded as debit cash FRW 400,000 and credit wages and salaries FRW 400,000
- D Machine repairs cost of FRW 100,000 was recorded as debit Plant, property and equipment (PPE) and credit Cash of FRW 100,000

**(2 Marks)**

### QUESTION 42

The bookkeeper accidentally records sales of FRW 200,000,000 in capital account instead of sales account, **which of the following are the correct entries to correct error?**

- A Dr : Capital A/c FRW 200,000,000 , Cr : Suspense A/c FRW 200,000,000
- B Dr : SuspenseA/c FRW 200,000,000, Cr : Sales A/c FRW 200,000,000
- C Dr : Capital A/c FRW 200,000,000, Cr : Sales A/c FRW 200,000,000
- D Dr : sales A/c FRW 200,000,000, Cr : Capital A/c FRW 200,000,000

**(2 Marks)**

### QUESTION 43

Accountant extract trial balance and finds the credit exceeds debits by FRW 4,420. Review of books discovered the following errors:

- i. Accountant made transposition error in recording sales instead of entering FRW 37,453 he/she entered FRW 37,543. However, receivables were recorded correctly
- ii. Salaries 5,250 were correctly entered into cash book but failed to make double entry.
- iii. A customer paid FRW 460 and this was correctly recorded in the cash book but was debited to the sales ledger control account.

**Which of the following correct entries to correct errors in order to balance trial balance?**

- A i) Dr ; SalesA/c : FRW 90 and Cr : Suspense A/c FRW 90  
ii) Dr : Salaries A/c FRW 5,250 and Cr : Suspense A/c FRW 5,250  
iii) Dr : Sales Ledger control A/c FRW 920 and Cr : Suspense A/c FRW 920
- B i) Dr ; SalesA/c : FRW 90 and Cr : Suspense A/c FRW 90  
ii) Dr : Suspense A/c FRW 5,250 and Cr : SalariesA/c FRW 5,250  
iii) Dr : Sales Ledger control A/c FRW 920 and Cr : Suspense A/c FRW 920
- C i) Dr ; Suspense A/c : FRW 90 and Cr : Sales A/c FRW 90  
ii) Dr : Salaries A/c FRW 5,250 and Cr : Suspense A/c FRW 5,250  
iii) Dr : Sales Ledger control A/c FRW 920 and Cr : Suspense A/c FRW 920
- D i) Dr ; SalesA/c : FRW 90 and Cr : Suspense A/c FRW 90  
ii) Dr : Salaries A/c FRW 5,250 and Cr : Suspense A/c FRW 5,250  
iii) Dr : Suspense A/c FRW 920 and Cr : Sales Ledger control A/c FRW 920

**(2 Marks)**

### QUESTION 44

**Which of the following is topped up to gross wages when calculating the total payroll cost?**

- A Income tax
- B Employer's Social Security contribution
- C Employees' social Security contribution
- D Employees' contribution to the pension

**(2 Marks)**

**QUESTION 45**

The following transaction was extracted from payroll record of June 2020.

Gross wages FRW 300,000

Employers 'pension contribution FRW 40,000

Employers 'social security contribution FRW 20,000

**Which of the following is correct journal entries for posting these details to the ledger account?**

- A Dr : staff cost FRW 360,000 and Cr : Wages control FRW 360,000
- B Dr : Staff cost FRW 320,000 and Cr : wages control FRW 320,000
- C Dr : Staff cost FRW 340,000 and Cr : wages Control FRW 340,000
- D Dr: Staff cost FRW 300,000 and Cr: wages control FRW 300,000

**(2 Marks)**

**QUESTION 46**

**Which of the following is not the means or methods of payment?**

- A Debit card
- B Standing order
- C Credit note
- D Cheques

**(2 Marks)**

**QUESTION 47**

**Which of the following is the characteristic of standing order?**

- i) Used to make regular payment from account
- ii) The payment of fixed amount
- iii) The recipient of the payment initiates each payment
- iv) Frequency of each payment and the due date

- A (i) and (ii)
- B (i), and (iv)
- C (i), (ii) and (iii)
- D (i), (ii), and (iv)

**(2 Marks)**

**QUESTION 48**

**Which of the following items will appear in the business's cash book?**

- A Remittance advice note
- B Receipts from sales of surplus equipment
- C Credit note
- D Sales invoice

**(2 Marks)**

**QUESTION 49**

The following are the transaction extract from books of account in the month of June.

- Purchase of goods amounting to FRW 18,000 VAT exclusive
- Payment of rent amounting to FRW 10,000 VAT inclusive
- Buy office furniture amount to FRW 40,000 VAT inclusive

Which of the following correspondent to the value of VAT paid? VAT rate is 18%

- A FRW 10,867
- B FRW 10,373
- C FRW 11,746
- D FRW 12,240

**(2 Marks)**

**QUESTION 50**

Nyiraneza's annual gross salary is FRW 480,000. In the April, she pays income tax FRW 6,960 and FRW 4,340 employee 'social security contribution. FRW 340 is deducted toward her loan taken and employer's pension is FRW 4,940.

Which of the following are net salary take home in April by Nyiraneza?

- A FRW 28,360
- B FRW 468,360
- C FRW 23,420
- D FRW 463,420

**(2 Marks)**

**End of question paper**

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