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**CERTIFIED ACCOUNTING TECHNICIAN (CAT)**  
**STAGE 1 EXAMINATION**  
**S2.1 PREPARATION OF BASIC ACCOUNTS**  
**PILOT PAPER**

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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.

## Section A

1. Which of the following statements about the books of prime entry is correct?
  - A Credit notes received from suppliers are recorded in the sales returns day book
  - B Invoices relating to credit sales are recorded in the cash book
  - C Cheques paid to suppliers are recorded in the purchases day book
  - D Cash received from credit customers is recorded in the sales day book
  - E None of the above

**(2 marks)**

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2. Cedric sold goods on credit to a customer and generated a small profit.  
What is the impact of this transaction on Cedric's accounting equation?
  - A Assets have increased, liabilities have decreased and capital has not changed
  - B Assets have decreased, liabilities have not changed and capital has not changed
  - C Assets have not changed, liabilities have decreased and capital has increased
  - D Assets have increased, liabilities have not changed and capital has increased
  - E None of the above

**(2 marks)**

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3. Jovia's accounts for the year ended 30 September 2018 included a prepayment for rent of RWF750,000. During the year ended 30 September 2019, she made payments for rent of RWF5,500,000, which included one invoice of RWF1,245,000 for the three months ending 31 October 2019.  
What balance should be included in Jovia's trial balance at 30 June 2019 for rent expense?
  - A RWF5,085,000
  - B RWF5,835,000
  - C RWF5,420,000
  - D RWF5,005,000
  - E None of the above

**(2 marks)**

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4. Simon has incurred the following costs to build a new, larger shop from which to operate his computer repair business.
 

	RWF'000
Building materials (brick, mortar, wood etc)	9,075
Costs of employing Arthur and Rose to help with the building work	1,860
Insurance costs for the new building	996
Repair costs for flooring damaged during building work	367
	12,298

What amount should Simon capitalise in relation to the new shop?

  - A RWF10,935,000
  - B RWF9,075,000
  - C RWF11,302,000

- D RWF12,298,000  
 E None of the above **(2 marks)**

5. At the reporting date of 31 December 2019, Fredrick has determined that the allowance for receivables should be decreased from RWF1,050,000 to RWF650,000.

What is the double entry required to take account of this adjustment in the year to 31 December 2019?

- A DEBIT Irrecoverable debts expense RWF400,000  
 CREDIT Allowance for receivables RWF400,000
- B DEBIT Irrecoverable debts expense RWF650,000  
 CREDIT Receivables control account RWF650,000
- C DEBIT Allowance for receivables RWF650,000  
 CREDIT Irrecoverable debts expense RWF650,000
- D DEBIT Receivables control account RWF400,000  
 CREDIT Irrecoverable debts expense RWF400,000

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

6. Ruby's trial balance does not balance. The total debits exceed the total credits by RWF88,000. After investigating, Ruby discovered that a payment to a credit supplier for RWF88,000 was incorrectly debited to the cash at bank account.

After the error is corrected, what will be the balance on the suspense account?

- A RWFNil  
 B RWF88,000 debit  
 C RWF88,000 credit  
 D RWF176,000 debit  
 E None of the above **(2 marks)**

7. Keza is preparing her monthly payables control account reconciliation. She has discovered that a debit balance of RWF35,000 on a supplier's account has been treated as a credit balance.

To complete the reconciliation, what adjustment should Keza make to the total of the list of balances?

- A Increase the total by RWF35,000  
 B Reduce the total by RWF70,000  
 C Increase the total by RWF70,000  
 D Reduce the total by RWF35,000  
 E None of the above **(2 marks)**

8. The Nirere partnership sells product X at a gross margin of 20%. The following amounts relate to product X for the year ended 30 June 2019.

RWF  
 million

Opening inventory	79
Closing inventory	29
Sales	400

What were the Nirere partnership's purchases of product X for the year ended 30 June 2019?

- A RWF270 million
- B RWF370 million
- C RWF30 million
- D RWF283.3 million
- E None of the above

**(2 marks)**

9. Ngabo has prepared the following journal entry:

DEBIT	Fixtures and fittings	RWF450,000	
CREDIT	J Asiba		RWF450,000

Which of the following could be the correct narrative for this journal entry?

- A Purchase of fixtures and fittings on credit from J Asiba
- B Sale of fixtures and fittings on credit to customer J Asiba
- C Cash purchase of fixtures and fittings from J Asiba
- D Cash sale of fixtures and fittings to J Asiba
- E None of the above

**(2 marks)**

10. Grace's trial balance at 30 June 2019 includes the following balances:

	RWF'000	RWF'000
Inventory at 30 June 2019	16,862	
Trade receivables	28,574	
Prepayments	3,266	
Trade payables		22,435
Accruals		4,762
Bank account		1,644

At 1 July 2018, Grace's allowance for receivables was RWF614,000. The allowance for receivables is to be increased by RWF660,000 at 30 June 2019.

What amount for current assets should be reported in Grace's statement of financial position at 30 June 2019?

- A RWF48,702,000
- B RWF48,042,000
- C RWF47,428,000
- D RWF49,072,000
- E None of the above

**(2 marks)**

11. Robert pays for his business broadband connection quarterly in advance. The charge is the same each quarter. The last payment was RWF54,000 and this covered the three months to 31 May 2019.

Robert's accounts for the year ended 31 March 2019 will include which of the following?

- A An accrual of RWF36,000
- B A prepayment of RWF36,000
- C An accrual of RWF18,000
- D A prepayment of RWF18,000
- E None of the above

**(2 marks)**

12. The Manzi Partnership purchased a new vehicle for RWF12,800,000 during September 2019. They intend to use the vehicle in their business for 4 years before disposing of it, at which point they estimate that the vehicle could be sold for RWF3,200,000. The Manzi Partnership depreciates motor vehicles on the straight-line basis, and charges a full month's depreciation in the month of purchase and no depreciation in the month of disposal.

What amount of depreciation should be charged to the statement of profit or loss for the year to 31 December 2019?

- A RWF3,200,000
- B RWF2,400,000
- C RWF1,066,667
- D RWF800,000
- E None of the above

**(2 marks)**

13. 'A business is always treated as a separate entity from its owners for accounting purposes'.

Which accounting concept is this?

- A Accruals
- B Business entity
- C Prudence
- D Going concern
- E None of the above

**(2 marks)**

14. Which, if any, of the following statements about the books of prime entry is/are correct?

- (i) The books of prime entry are the record of all the documented transactions undertaken by the business
- (ii) The books of prime entry are periodically totalled and posted to the trial balance
- (iii) The receivables ledger and payables ledger are the books of prime entry for credit sales and credit purchases

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

**(2 marks)**

15. Which, if any, of the following items is/are current liabilities?

- (i) Allowance for receivables
- (ii) Accrual for electricity expense

- (iii) Trade payables
- (iv) Accumulated depreciation
- (v) Bank loan repayable in 9 months' time

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

**(2 marks)**

16. Valuing inventory at the lower of cost and net realisable value is an application of which accounting principle?

- A Consistency
- B Verifiability
- C Prudence
- D Relevance
- E None of the above

**(2 marks)**

17. Joey is preparing his extended trial balance. He has entered the following journal for accrued income into the adjustments columns:

DEBIT	Accrued income	RWF300,000	
CREDIT	Revenue		RWF300,000

When completing the extended trial balance, in which column should the balance for accrued income be included?

- A Statement of profit or loss debit
- B Statement of profit or loss credit
- C Statement of financial position debit
- D Statement of financial position credit
- E None of the above

**(2 marks)**

18. Which, if any, of the following statements about the purpose of reconciling the receivables ledger with the receivables control account is true?

- A It is a check on whether sales made for cash have been appropriately recorded
- B It is a check on the accuracy of amounts owed to individual suppliers
- C It is a check on whether credit customers have paid their invoices on time
- D It is a check on the accuracy of individual entries in the sales day book
- E None of the above.

**(2 marks)**

19. During the year ended 31 October 2019, Josiane sold a delivery van for RWF5,040,000. The delivery van had been purchased in January 2016 for RWF12,600,000 and depreciated on the reducing balance basis at a rate of 25% per annum. Josiane charges a full year's depreciation in the year of acquisition, and no depreciation in the year of sale.

What is the profit or loss on disposal of the delivery van during the year ended 31 October 2019?

- A RWF275,625 loss

- B RWF275,625 profit
  - C RWF1,890,000 profit
  - D RWF1,890,000 loss
  - E None of the above
- (2 marks)**

20. Which, if any, of the following should normally be recorded in a non-current asset register?

- (i) Purchase date of each asset
- (ii) Serial number of each asset
- (iii) Cost of each asset
- (iv) Description of each asset
- (v) Location of each asset

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

21. On the last day of the reporting period, Rene disposed of a machine with a carrying amount of RWF705,000 which was originally purchased for RWF1,205,000 some years ago. Rene maintains separate ledger accounts for recording the cost of property, plant and equipment and the associated accumulated depreciation.

What entry should Rene make in his plant and machinery ledger account in respect of the disposal of the machine?

- A RWF705,000 on the debit side of the account
- B RWF705,000 on the credit side of the account
- C RWF1,205,000 on the debit side of the account
- D RWF1,205,000 on the credit side of the account
- E None of the above

22. Which, if any, of the following statements regarding VAT is/are correct?

- (i) A business with taxable supplies of more than RWF40 million in the previous fiscal year must register for VAT
- (ii) A business with exempt supplies totaling more than RWF5 million in the last quarter must register for VAT
- (iii) A VAT-registered business with turnover of less than RWF200 million need not make a VAT declaration

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

23. Which, if any, of the following must be included on the tax invoices of a VAT-registered business?

- (i) Name, address and VAT registration number of the business
- (ii) The date on which the business became VAT-registered
- (iii) The selling price excluding VAT and the total amount of VAT charged
- (iv) The words 'tax invoice', displayed prominently
- (v) The serial number of the electronic billing machine which processed the sale

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

**(2 marks)**

24. Seth set up a business on 1 November 2018 with capital of RWF5,000,000. During the year to 31 October 2019, Seth made drawings of RWF450,000 per month. On 31 October 2019, Seth's net assets were RWF13,260,000.

What profit or loss was made by Seth's business in the year ended 31 October 2019?

- A Profit of RWF12,860,000
- B Loss of RWF12,860,000
- C Profit of RWF13,660,000
- D Loss of RWF13,660,000
- E None of the above

**(2 marks)**

25. Jean and Nadege are in partnership. Jean has prepared the partnership's statement of profit and loss, which shows a draft profit of RWF75,862,000. Jean was unsure how to account for interest on drawings (Jean RWF2,754,000; Nadege RWF3,156,000) and interest on a loan from Nadege (RWF1,346,000) and so has not included them in the calculation of profit.

What is the profit for the year that should be reported in the statement of profit or loss?

- A RWF68,606,000
- B RWF74,516,000
- C RWF75,862,000
- D RWF80,426,000
- E None of the above

**(2 marks)**

26. Shown below is an extract of Charity's trial balance at the year-end:

	RWF	RWF
Revenue		64,200,000
Purchases	27,500,000	
Opening inventory	4,700,000	
Delivery costs (inwards)	980,000	
Delivery costs (outwards)	750,000	
Heating and lighting	980,000	
Income tax	100,000	

Charity's closing inventory balance was RWF6,800,000.

What was Charity's gross profit for the year?

- A RWF37,820,000
- B RWF38,050,000
- C RWF38,800,000
- D RWF37,070,000
- E None of the above

**(2 marks)**

27. Agatesi's trial balance does not agree by RWF700,000.

Which, if any, of the following errors could have caused this difference?

- A A payment of RWF350,000 for electricity was correctly recorded in the bank account but debited to a non-current asset account.
- B A laptop costing RWF350,000 has been incorrectly recorded as a credit entry in the purchases account. The cash paid for the laptop was correctly recorded.
- C A cheque for RWF700,000 received from P Mupende has been accidentally credited to S Mupende's account in the payables ledger.
- D A cheque for RWF700,000 relating to broadband charges was correctly recorded in the bank account, but has been debited to the subscriptions account in error.
- E None of the above

**(2 marks)**

28. Which of the following are likely to be included in a partnership agreement?

- (i) The amount of salary to be paid to each partner, if any
- (ii) The ratio in which profits and losses of the partnership are to be shared among partners
- (iii) The amount of drawings each partner is permitted to take
- (iv) The maximum amount that each partner can loan to the partnership

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

**(2 marks)**

29. Mutoni is preparing her financial statements. She has a closing inventory balance of RWF41,875,000. However, this includes some items of product Y which cost RWF1,960,000 and which are now obsolete. In order to sell these items of product Y, they must be upgraded at a total cost of RWF360,000. Once upgraded, they can then be sold for RWF1,200,000.

What is the correct inventory valuation for inclusion in the financial statements?

- A RWF39,915,000
- B RWF40,755,000
- C RWF41,515,000
- D RWF42,715,000
- E None of the above

**(2 marks)**

30. Sofia and Munyentwali are in a partnership. Their profit for the year is RWF64,000,000. Their partnership agreement states that Sofia and Munyentwali share profits and losses in the ratio 3:2 and Munyentwali is paid a salary of RWF5,000,000 per annum.

How much of the total profit for the year will be attributed to each partner?

	<i>Sofia</i>	<i>Munyentwali</i>
A	RWF35,400,000	RWF28,600,000
B	RWF35,400,000	RWF23,600,000
C	RWF38,400,000	RWF25,600,000
D	RWF38,400,000	RWF30,600,000
E	None of the above	

(2 marks)

31. Winny has just started trading as a supplier of car parts but is a bit confused as to the difference between capital and revenue expenditure. She bought a new delivery van in the year for RWF1,500,000 but has recognised the amount as an expense instead of capitalising it.

What effect will this have on her profit and net assets figures for the year?

- A Profit and net assets will both be understated
- B Profit will be overstated and net assets will be understated
- C Profit will be understated and net assets will be overstated
- D Profit and net assets will both be overstated
- E None of the above

(2 marks)

32. Joe is registered for VAT and has purchased goods for resale costing RWF558,000. This amount includes VAT of 18%.

What debit entry should be made in the goods for resale account? You should round your answer to the nearest RWF1,000.

- A RWF458,000
- B RWF473,000
- C RWF558,000
- D RWF658,000
- E None of the above

(2 marks)

33. At 31 January 2019, the Niyonsaba Cooperative's bank statement showed a positive bank balance of RWF170,000. The bank ledger account in the general ledger showed a different amount.

The bookkeeper identified the following two items as the cause of the difference:

- 1 Bank charges of RWF48,000 were incurred in January but not yet recorded in the bank ledger account.
- 2 A cheque received from a customer for RWF492,000 which had been recorded in the bank ledger account, but had not yet been banked.

Before making any adjustments to the general ledger, what amount is shown in the Niyonsaba Cooperative's bank ledger account at 31 January 2019?

- A RWF370,000 credit

- B RWF218,000 debit
- C RWF662,000 debit
- D RWF710,000 debit
- E None of the above

**(2 marks)**

34. The balance on Tutu's receivables control account is RWF67,240,000 and the total of the list of balances in Tutu's receivables ledger is RWF54,568,000.

Which, if any, of the following would explain the difference?

- A A cash receipt of RWF12,672,000 from a customer has been correctly posted to the receivables control account, but has not been included in the customer's account in the receivables ledger
- B An invoice for RWF12,672,000 was not entered into the sales day book
- C The entry to remove an irrecoverable debt of RWF6,336,000 has been included on the wrong side of the receivables control account
- D A contra of RWF6,336,000 has not been included in the receivables control account
- E None of the above

**(2 marks)**

35. During 2018, Celestin determined that a receivables balance of RWF553,000 was irrecoverable and consequently wrote it off. However, during 2019, this debt was unexpectedly paid in full.

How will her financial statements for 2019 be affected by the receipt?

- A Her receivables balance will be reduced by RWF258,000
- B Her receivables balance will be increased by RWF258,000
- C Her profit will be reduced by RWF258,000
- D Her profit will be increased by RWF258,000
- E None of the above

**(2 marks)**

36. At 30 September 2019, the closing balances on Patrick's ledger accounts were as follows:

<i>Account name</i>	<i>Amount</i>
	RWF'000
Revenue	91.500
Purchases	34.156
Administration expenses	8.965
Bank (overdraft)	3.000
Motor vehicle	35.505
Motor expenses	1.392
Receivables ledger control	21.456
Capital	6.974

What would be the total of the debit column of Patrick's trial balance at 30 September 2019?

- A RWF80,018,000
- B RWF101,474,000
- C RWF104,474,000
- D RWF192,974,000

E None of the above

(2 marks)

37. Ruth's extended trial balance shows the following totals:

<i>Statement of profit or loss</i>		<i>Statement of financial position</i>	
DEBIT	CREDIT	DEBIT	CREDIT
RWF122,182,000	RWF113,528,000	RWF122,173,000	RWF130,827,000

What is Ruth's result for the year?

- A A loss of RWF8,645,000  
 B A profit of RWF8,645,000  
 C A loss of RWF8,654,000  
 D A profit of RWF8,654,000  
 E None of the above

(2 marks)

38. Audrey wishes to increase her allowance for receivables by RWF975,000 and write off an irrecoverable debt of RWF460,000.

Which of the following journal entries, if any, should Audrey make?

- A DEBIT Allowance for receivables RWF1,435,000  
 CREDIT Irrecoverable debt expense RWF1,435,000
- B DEBIT Irrecoverable debt expense RWF1,435,000  
 CREDIT Receivables RWF460,000  
 CREDIT Allowance for receivables RWF975,000
- C DEBIT Receivables RWF460,000  
 DEBIT Allowance for receivables RWF975,000  
 CREDIT Irrecoverable debt expense RWF1,435,000
- D DEBIT Irrecoverable debt expense RWF1,435,000  
 CREDIT Allowance for receivables RWF1,435,000
- E None of the above

(2 marks)

39. Sonia and Eric are in partnership and for the year to 31 March 2019, they made a loss of RWF8,650,000. During the year, Sonia made drawings of RWF30,000,000 and Eric made drawings of RWF26,000,000. Sonia and Eric share profits and losses in the ratio 3:2.

What is the movement in the balance on Eric's current account in the year to 31 March 2019?

- A RWF22,540,000 increase  
 B RWF22,540,000 decrease  
 C RWF29,460,000 increase  
 D RWF29,460,000 decrease  
 E None of the above

(2 marks)

40. During the year ended 31 May 2019, Mwiza made credit purchases of RWF168,228,000 and paid her credit suppliers a total of RWF178,970,000. The opening balance on her payables control account at 1 June 2018 was RWF79,654,000.

What is Mwiza's payables balance at 31 May 2019?

- A RWF68,912,000 credit
- B RWF68,912,000 debit
- C RWF90,396,000 credit
- D RWF90,396,000 debit
- E None of the above

**(2 marks)**

41. Kevin is completing his financial statements for the period ending 30 June 2019. The general ledger balance for bank and cash at this date is RWF972,000.

During the completion of the bank reconciliation, he identified a receipt of RWF720,000 which did not belong to his business. Following discussions with the bank, it was identified to be an error by the bank, which is to be corrected in July 2019.

How should Kevin's bank balance be reported in the statement of financial position at 30 June 2019?

- A A current asset of RWF1,692,000
- B A current asset of RWF972,000
- C A current asset of RWF252,000
- D A current liability of RWF252,000
- E None of the above

**(2 marks)**

42. The Gatera Cooperative is a business which is registered for VAT. For VAT purposes, some of the sales made by the business are classified as standard-rated and some are exempt.

Which of the following statements regarding the business is true?

- A The business must charge output VAT at the standard rate on all sales it makes
- B The business will receive a repayment from the Rwanda Revenue Authority equal to the amount of input VAT suffered
- C The business must submit a VAT declaration when the amount of output VAT it has charged exceeds the amount of input VAT it has suffered
- D The output VAT on the exempt sales made by the business is classified as 'irrecoverable VAT'
- E None of the above

**(2 marks)**

43. Francis charges VAT on sales at the standard rate of 18%. During July, his sales were RWF2,950,000 inclusive of VAT.

What entry is required in Francis's VAT control account to record the VAT on these sales?

- A RWF450,000 credit
- B RWF450,000 debit
- C RWF531,000 credit
- D RWF531,000 debit

E None of the above

**(2 marks)**

44. Ronald has calculated the annual depreciation charge on his factory.  
How should Ronald record the depreciation charge in his ledger accounts?

- A DEBIT Factory depreciation account  
CREDIT Factory accumulated depreciation account
- B DEBIT Factory carrying amount account  
CREDIT Factory depreciation account
- C DEBIT Factory cost account  
CREDIT Factory accumulated depreciation account
- D DEBIT Factory cost account  
CREDIT Factory depreciation account
- E None of the above

**(2 marks)**

45. Which, if any, of the following statements about methods of valuing inventories is correct?

- A In times of rising costs, the first-in first-out method will report a lower profit than the weighted average method
- B In times of rising costs, the weighted average method will report a lower profit than the first-in first-out method
- C The method of inventory valuation has no effect on profit for the year
- D A business should value inventory on the basis that reports the lowest profit
- E None of the above

**(2 marks)**

46. Which, if any, of the following statements about reconciling the payables ledger with the payables control account is true?

- A The reconciliation will identify any error present in the payables control account or in the payables ledger
- B If a purchase invoice has been entered into the purchases day book with the wrong supplier name, the reconciliation will identify the error
- C If a purchase invoice has been entered into the wrong supplier account in the payables ledger, the reconciliation will identify the error
- D If a transposition error was made in transferring an invoice from the purchases day book to a supplier's personal account, the reconciliation will identify the error
- E None of the above

**(2 marks)**

47. At the year end of 30 November 2019, Akaliza recorded an accrual for RWF180,000 relating to printing costs. However, Akaliza's colleague had already received and correctly recorded an invoice for these costs on 29 November.

Which, if any, of the following statements related to Akaliza's expenses and current liabilities for the year ended 30 November 2019 is correct?

- A Expenses will be understated by RWF180,000 and current liabilities will be overstated by RWF180,000
- B Expenses and current liabilities will both be overstated by RWF180,000
- C Expenses will be overstated by RWF180,000 and current liabilities will be understated by RWF180,000
- D Expenses and current liabilities will both be understated by RWF180,000
- E None of the above **(2 marks)**

48. Below is an extract of Janet's extended trial balance at 31 December 2019. Janet has not yet completed the extended trial balance and is worried that she may have made a mistake.

	Trial balance		Adjustments		Statement of profit or loss		Statement of financial position	
	RWF'000		RWF'000		RWF'000		RWF'000	
	DR	CR	DR	CR	DR	CR	DR	CR
Accumulated depreciation		33,330		7,407				
Depreciation expense			7,407		7,407			
Inventory at 31.12.19			41,000				41,000	
Inventory at 31.12.19 (Statement of profit or loss)				41,000				41,000

Which of the following statements about Janet's extended trial balance is correct?

- A Depreciation expense has been extended to the wrong column. It should be included in the statement of profit or loss credit column.
- B The balance of RWF41,000,000 recorded in the statement of financial position credit column has been extended correctly.
- C The balance of RWF41,000,000 recorded in the statement of financial position debit column has been extended correctly.
- D To complete the accumulated depreciation row, RWF7,407,000 should be extended to the statement of financial position credit column.
- E None of the above **(2 marks)**

49. Below is the office equipment ledger account taken from the accounting records of the Shema Cooperative.

## OFFICE EQUIPMENT

<i>Date</i> 2019	<i>Details</i>	<i>Amount</i> RWF'000	<i>Date</i> 2019	<i>Details</i>	<i>Amount</i> RWF'000
9 Jan	Balance b/f	29,502	1 Jan	Journal	350
21 Jan	Bank	<u>7,288</u>	31 Jan	Balance c/d	<u>36,440</u>
		<u>36,790</u>			<u>36,790</u>

How should office equipment be included in the Shema Cooperative's trial balance at 31 January 2019?

- A RWF36,440,000 in the debit column
- B RWF36,440,000 in the credit column
- C RWF36,790,000 in the debit column
- D RWF36,790,000 in the debit column
- E None of the above

**(2 marks)**

50. Which, if any, of the following statements about accounting concepts is/are correct?

- (i) Financial statements must always be prepared on the going concern basis. If a business is not considered to be a going concern, financial statements should not be prepared.
- (ii) Materiality is a numerical amount which can be determined objectively. Items with a value lower than this amount are not considered material.
- (iii) To be useful to users of financial statements, financial information must be relevant and faithfully represent that which it purports to represent.

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

**(2 marks)****Total (100 marks)**