
CERTIFIED ACCOUNTING TECHNICIAN

STAGE 1 EXAMINATION

S.1.1 RECORDING FINANCIAL TRANSACTIONS

DATE: TUESDAY, 30 NOVEMBER 2021

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

Giporoso Ltd wants to sign a cheque in favor of their potential supplier. Head of finance wants to know the balance at bank before signing in a cheque to avoid the cases of unsecured cheque.

They are unable to obtain bank balance due to online banking system failure and the country is in lockdown with employees working from home. Chief finance officer advised them to estimate bank balance based on bank reconciliation.

The following information is available to help them estimate bank balance

- (1) Cash book balance FRW 200,000 overdrawn
- (2) Cheques not presented to bank due to lockdown FRW 1,500,000
- (3) Cheques not yet deposited to bank due to lockdown FRW 800,000
- (4) Monthly interest charge not yet recorded FRW 60,000
- (5) On that date, Giporoso Ltd received a phone call from their customer who informed them that a payment of FRW 4,000,000 was made to their account using online internet bank system. This was done to contain the spread of covid-19

What is the estimated balance as per the bank statement?

- A FRW 4,440,000
- B FRW 1,960,000
- C FRW 4,840,000
- D FRW 3,040,000

(2 Marks)

QUESTION TWO

Cyami Ltd sold FRW 100,000 worth of goods to Maso Co in November 2020 and the sales to Maso will grow at the rate of 10% per month. All sales made by Cyami Ltd to Maso Co are on credit and it is estimated that 60% of sales made to Maso Co will be paid in the month following sale; the remaining will be paid two months after sale. All Payment from Maso Co to Cyami Ltd are done by end of month and these are accompanied by a remittance advice.

How much will appear on the remittance advice as at 28 February 2021

- A FRW 133,100
- B FRW 106,000
- C FRW 116,600
- D FRW 128,260

(2 Marks)

QUESTION THREE

The financial policy and manual of Nzuli states that a cashier must request petty cash amount on the very fast day of the month to restore their imprest level to FRW 100,000.

The balance as at 01 January 2020 was FRW 40,000 and on the same date FRW 60,000 was drawn from the bank. On 01 February 2020, the cashier requested FRW 75,000 to restore their imprest level.

What was the expenditure during the month of January 2020?

- A FRW 25,000
- B FRW 60,000
- C FRW 35,000
- D FRW 75,000

(2 Marks)

QUESTION FOUR

On 1 March 2021 Bahizi started a business to sell soft drinks in Kigali. The following transaction took place in the month ending 31 May 2021.

- 1) Credit sales of FRW 200,000 to Mombai shop Ltd
- 2) Two idle laptops were sold on credit to Mirwi Co at FRW 150,000 each
- 3) Credit purchase of 300,000 from Rwanda brewery ltd
- 4) Credit sales of 100 bottles of soft drink at FRW 150 each
- 5) Cash sales of 50,000 to Mwari

How much should be transferred to sales ledger control account?

- A FRW 365,000
- B FRW 215,000
- C FRW 265,000
- D FRW 115,000

(2 Marks)

QUESTION FIVE

The profit for the year ended 30 June 2021 of Gasogi Trading Co is FRW 5,000,000

The audit conducted by external auditors revealed the following errors

- 1) The credit purchases of FRW 600,000 were posted on wrong side of account, but the amount was correctly recorded in the supply control account
- 2) Rental expenses of FRW 40,000 was recorded as FRW 400,000 but the correct amount was paid to the landlord
- 3) The balance of closing stock was understated by FRW 50,000

The revised profit for the year of Gasogi Ltd is:

- A FRW 4,210,000
- B FRW 4,110,000
- C FRW 4,810,000
- D FRW 3,490,000

(2 Marks)

QUESTION SIX

The following transactions shall be recorded in which books of prime entry.

A credit notes of FRW 200,000 issued to a customer and FRW 5,000 paid in respect of hand-note books

- A Sales return daybook and petty cash book
- B Purchase return daybook and cash book
- C Sales daybook and petty cash book
- D Sales return daybook and journal

(2 Marks)

QUESTION SEVEN

Which of the of following statements is correct?

- A An invoice shows the value of goods sold within a particular period
- B When payment is done instantly following the receipt of goods, the best document to issue is a credit invoice
- C A debit note is issued to formally request a credit note
- D A credit note is issued by the buyer to cancel part of payment owed to supplier

(2 Marks)

QUESTION EIGHT

On 25 March 2021, Babu Co sold goods worth FRW 1,770,000 inclusive of 18% VAT to Samson Co. Two days later, Samson issued a debit note of FRW 354,000 but Babua Co accepted a credit note of FRW 236,000 inclusive of 18% VAT. It is now the end of month and Samson's accountant is preparing the payment in respect of goods purchased from Babu Co.

How much will appear on the cheque prepared in favor of Babua Co?

- A FRW 1,416,000
- B FRW 1,470,000
- C FRW 1,570,000
- D FRW 1,534,000

(2 Marks)

QUESTION NINE

Mupenzi is a successful businessman for decades, they have been paying their debt using cash. However, due to COVID-19 Pandemic, Mupenzi aimed to go cash-less. **Which of the following transaction could be paid using standing order?**

- i. Monthly insurance premium for their assets
- ii. Monthly telephone charge and internet costs
- iii. RBC fees in respect of Covid-19 rapid test for their two employees
- iv. Monthly salaries for employees
- v. Suppliers' payment

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

(2 Marks)

QUESTION 10

Mucyo co experience a remarkable growth in the year 2019. The company hired a sales accountant who report to Chief Finance officer. On the very first day of their job, the company made a credit sale of FRW 1,200,000 and cash sales of FRW 4,000,000.

Which books of prime entry will be affected by the above transaction? will these transactions be entered in the books of prime entry?

- A Purchase daybook
- B Sales ledger
- C Sales daybook only
- D Sales daybook and cashbook

(2 Marks)

QUESTION 11

Mr Lee is sole proprietor who maintains a cash book to summarize cash receipt and payment. During the month of November 2020, they suspected a fraud possibly committed by their cashier. They then made a surprise cash count and the cashier informed them that cash balance in hand as at 31 October 2020 was unknown. They noted that the cash in hand as at 30 November 2020 was **FRW 600,000** but they are still investigating to know the balance as at 31 October 2020

You are given the following information which relates to the month of November 2020 to assist determine cash in hand as at 31 October 2020.

		FRW
1 November 2020	Cash at bank	1,000,000
1 November 2020	Amount withdrawn by his cashier from bank for petty cash.	600,000

1 November 2020	Cash sales to Mugunda, 80% of it was taken to bank by a cashier.	2,000,000
1 November 2020	Covid-19 test to their staff including cashier. The test was recommended by RBC and payment will be made by District.	30,000
2 November 2020	Credit Purchase from Zamburi Co.	500,000
7 November 2020	Their cashier sent a cheque to Zamburi after a discount of 10%.	450,000
15 November 2020	Credit sales to Hamza.	4,000,000
30 November 2020	Hamza paid the full amount after deducting a discount of 5% using a cheque.	

The cash in hand as at 31 October 2020 was:

- A FRW (400,000)
- B FRW 600,000
- C FRW (2,200,00)
- D FRW 2,600,000

(2 Marks)

QUESTION 12

Referring to scenario stated in question 11 above, **how much does Mr Lee have in the bank at the end of 30 November 2020?**

- A FRW 5,750,000
- B FRW 5,350,000
- C FRW 3,750,000
- D FRW 5,500,000

(2 Marks)

QUESTION 13

Growing energy Ltd is a private company which construct power plant and sell electricity to beneficiaries

Below are the accounting codes extracted from their financial system

First number

- 11 Revenue
- 12 Purchase
- 14 Distribution costs
- 15 Subsidies
- 16 Administrative expense
- 17 Depreciation and amortization
- 19 Income tax expense

Second number

- 200 Cash
- 500 Payable
- 700 Receivable
- 111 Land
- 211 Building
- 311 Power plant
- 101 Current tax

First number

20 PPE

30 Bank

Second number

102 Deferred tax

111 Grant from foreign donors

On 20 June 2020, growing energy ltd acquired land at FRW 20,000,000 in Kirehe district for construction of new power plant

Which of the following accounting codes would be used to record the above transaction?

A 20111

B 20211

C 12111

D 20500

(2 Marks)**QUESTION 14**

The following receivable ledger account has been prepared by a receivables' accountant

Receivables control account

Description	FRW	Description	FRW
Opening balance	100,000	Cash received from debtors	300,000
Credit sales	2,000,000		
Cash sales	70,000	Discount received	205,000
Returns inward	40,000	Interest receivable	150,000
Discount allowed	45,000		
		Bal c/d	1,600,000
	2,255,000		2,255,000

What should be the correct closing balance for the above receivable ledger account?

A FRW 1,785,000

B FRW 1,715,000

C FRW 1,920,000

D FRW 1,805,000

(2 Marks)**QUESTION 15**

During the year ended 31 December 2020 Mubimba Co made the following transaction in respect of electricity costs.

	FRW
Prepaid electricity cost as at 31 December 2019	800,000
Amount paid during the year to cover electricity expenses	3,000,000
Unpaid electricity cost as at 31 December 2020	950,000
Input VAT for Electricity invoices	200,000

What should be the correct electricity cost per statement of profit and loss account for the year ended 31 December 2020?

- A FRW 4,950,000
- B FRW 4,750,000
- C FRW 3,150,000
- D FRW 2,850,000

(2 Marks)

QUESTION 16

Below is the receivable ledger account of Sindohoka Ltd extracted from the books of account of Ntabarinjye Ltd.

Sindohoka Ltd Receivable ledger account

Description	FRW “000”	Description	FRW “000”
Bal b/d for sanitizers sold in previous period	20,000		
Sanitizers sold	<u>3,000</u>	Bank a/c	20,000
		Sanitizer returned	1,000
		Bank a/c	9,000
Bal c/d	7,000		
	<u>30,000</u>		<u>30,000</u>

After analyzing the above personal account, what is the possible implication for this balance of FRW 7,000,000?

- A Sindohoka co has supplied goods worth FRW 7,000,000 to Ntabarinjye ltd
- B There was cash sales of FRW 7,000,000 not recorded
- C Sindohoka Ltd made an overpayment of FRW 7,000,000 to Ntabarinjye Ltd
- D Ntabarinjye Ltd owes FRW 7,000,000 to Sindohoka

(2 Marks)

QUESTION 17

Urunigi Ltd is a company established to increase Rwandan culture awareness among the youth.

The following details relate to transactions recorded by accountant for their customers and suppliers as at 31 December 2020.

	FRW
Trade receivable as at 1 Jan 2020	150,000
Credit sales	200,000
Cash sales	300,000
Discount received	500,000
Trade payable as at 1 Jan 2020	800,000
Cash purchases	350,000

Payment to suppliers	450,000
Returns outward	150,000
Carriage outward	60,000
Amount due to suppliers as at 31 December 2020 for goods purchased	200,000

What was the purchase figure as per statement of profit and loss for the year ended 31 December 2020?

- A FRW 350,000,
- B FRW 200,000
- C FRW 560,000
- D FRW 850,000

(2 Marks)

QUESTION 18

The sales return of FRW 500,000 has been debited in the receivable ledger account, but correct entry was made in the returns in ward account.

The effect on the receivable balance in trial balance would be?

- A No effect
- B Understate receivable balance by FRW 500,000
- C Understate receivable balance by FRW 1,000,000
- D Overstate receivable balance by FRW 1,000,000

(2 Marks)

QUESTION 19

Max Ltd is a company, which distributes cement in Western region. The following transaction took place during the year ended 30 June 2020

- 1) Credit sales of FRW 354,000 inclusive of VAT to customers.
- 2) Purchases of FRW 472,000 from global cement ltd exclusive of VAT
- 3) Cement worth FRW 236,000 was returned by different customers
- 4) Bad debt of FRW 472,000 which relate to credit sales made in previous period year was recovered
- 5) Total cash sales were FRW 708,000 exclusive of VAT
- 6) The applicable VAT rate is 18%

How much revenue will be taken to profit and loss account for the year ended 30 June 2020?

- A FRW 718,000
- B FRW 664,000
- C FRW 700,000
- D FRW 300,000

(2 Marks)

QUESTION 20

Which of the following statements is true?

- A VAT refund is recorded as other income in the statement of profit and loss account
- B Output VAT on credit sales should be debited in VAT account
- C A motor vehicle is repaired for FRW 590,000 VAT inclusive, payment is processed using a cheque. Motor vehicle account will be debited with FRW 500,000 and VAT account debited with FRW 90,000 while Bank a/c is credited with FRW 590,000. VAT is recoverable
- D A machine is acquired for FRW 700,000 plus VAT of FRW 126,000 payment is made using cheque. A machine account is debited with FRW 826,000 and Bank a/c is credited with FRW 826,000. VAT is irrecoverable

(2 Marks)

QUESTION 21

Mahoro Trading co has only one supplier called Muzo Ltd. On 15 January 2020 Muzo Ltd's personal account in Mahoro trading Co was zero.

Below are transactions extracted from the books of account of Mahoro Trading company from 1 January to 15 January 2020

1 Jan 2020	Dr	Purchases a/c	FRW 600,000	
	Cr	Payable control account		FRW 600,000
15 Jan 2020	Dr	Payable control account	FRW 600,000	
	Cr	Bank a/c		FRW 540,000
	Cr	Discount		FRW 60,000

The interpretation for the above transactions is.

- A On 1 January 2020, Muzo purchased goods worth FRW 600,000 from Mahoro trading company and payment of FRW 540,000 was done on 15 January 2020 using bank and settlement discount received was FRW 60,000
- B On 1 January 2020, Mahoro trading co sold FRW 600,000 worth of goods to Muzo Ltd. On 15 January 2020, the payment of FRW 540,000 was made through bank with settlement discount of FRW 60,000
- C On 1 January 2020, Mahoro trading co purchased FRW 600,000 Worth of goods from Muzo Ltd. The payment of FRW 540,000 was done on 15 January 2020 using bank with applicable discount allowed of FRW 60,000

- D On 1 January 2020, Mahoro trading co purchased FRW 600,000 worth of goods from Muzo Ltd. On 15 January 2020, Mahoro trading co paid FRW 540,000 to Muzo Ltd using bank and settlement discount received was FRW 60,000

(2 Marks)

QUESTION 22

Vision Ltd is a VAT company registered. On 1 May 2020 they purchased curtains for their new office at a list price of FRW 400,000 exclusive of 18% VAT. The supplier offered Vision Ltd a trade discount of 10%. On 6 May 2020 Vision Ltd paid the total amount.

Which of the following is the correct posting to record the above transactions?

- | | | | | | |
|--------------|-------------|-----------------------------|-------------|-------------|--|
| A | 01 May 2020 | Dr. Purchase | FRW 400,000 | | |
| | | Dr. VAT | FRW 72,000 | | |
| | 06 May 2020 | Cr. Payable control account | | FRW 472,000 | |
| | | Dr. Payable control account | FRW 472,000 | | |
| Cr. Bank | | | FRW 424,800 | | |
| | | Cr. Discount | | FRW 47,200 | |
| B | 01 May 2020 | Dr. Purchase | FRW 338,983 | | |
| | | Dr. VAT | FRW 61,017 | | |
| | | Cr. Payable control account | | FRW 400,000 | |
| | 06 May 2020 | Dr. Payable control account | FRW 400,000 | | |
| | | Cr. Bank | | FRW 360,000 | |
| Cr. Discount | | | FRW 40,000 | | |
| C | 01 May 2020 | Dr. Purchase | FRW 360,000 | | |
| | | Dr. VAT | FRW 64,800 | | |
| | | Cr. Payable control account | | FRW 424,000 | |
| | 06 May 2020 | Dr. Payable control account | FRW 424,000 | | |
| | | Cr. Bank | | FRW 424,000 | |
| D | 01 May 2020 | Dr. Purchase | FRW 360,000 | | |
| | | Dr. VAT | FRW 64,800 | | |
| | | Cr. Discount | | FRW 40,000 | |
| | | Cr. Payable control account | | FRW 384,800 | |
| | 06 May 2020 | Dr. Payable control account | FRW 384,800 | | |
| | | Cr. Bank | | FRW 384,800 | |

(2 Marks)

QUESTION 23

Maxim is a sole trader based in downtown. During the quarter ended 30 June 2020 the following transaction were carried out by Maxim

- 1) Purchase from bodaboda Ltd at list price of FRW 140,000 for which 20% trade discount is applicable. The figure is exclusive of 18% VAT
- 2) Credit sales and cash sales of FRW 590,000 and FRW 118,000 respectively
- 3) Amount received from customers FRW 400,000
- 4) Good returned by customers FRW 70,800
- 5) Sales were made inclusive of 18% VAT

The balance of the following items in the statement of profit and loss account is

A	Net sales	FRW 540,000	Purchase	FRW 112,000
B	Net sales	FRW 708,000	Purchase	FRW 132,160
C	Net sales	FRW 637,200	Purchase	FRW 112,000
D	Net sales	FRW 529,200	Purchase	FRW 112,000

(2 Marks)

QUESTION 24

Which of the following statements is not correct?

- A Personal sales ledger account does form part of the double entry system of bookkeeping
- B Personal account helps the business to check on credit position of each customer to ensure that credit limit is respected.
- C The receivable controls account and personal ledger account do not play the same role, therefore, the balance in the Receivable control account must not agree with the total of individual account balance
- D The receivable age analysis shows whether the debt of business is quickly collected and shows the invoices with long overdue.

(2 Marks)

QUESTION 25

The accountant of Mambo Ltd made a reconciliation between the receivable ledger control account and list of customer balance and noted that the balance in the receivable control account is FRW 200,000 less than the balance as per list of customers.

The above mismatch could be caused by,

- A An invoice for FRW 200,000 was omitted in the sales day book
- B A credit note for FRW 200,000 was omitted in the sales returns day book
- C A credit note for FRW 100,00 was posted twice into the personal receivable ledger
- D An invoice of FRW 200,000 was posted twice in the customer's ledger account

(2 Marks)

QUESTION 26

Boom Ltd purchased FRW 600,000 worth of goods from Salax trading Co. The goods were supplied based on the purchase order and there was no exception noted at point of delivery.

The goods were received before processing payment as credit terms is 3 months, but the storekeeper and member of reception team did not agree on the document to issue to the supplier.

Which document should they issue?

- A Invoice
- B Sales order
- C Goods packing list
- D Goods received note

(2 Marks)

QUESTION 27

Frexboard Ltd is a company established 10 years ago. Below are the only transactions which was done by Frexboard Ltd during the period starting from 1 January 2020 to 31 December 2020.

- 1) Credit Purchase of FRW 600,000 exclusive of VAT of 18%, the payment was made by applying a settlement discount of 10%
- 2) Credit sales of FRW 944,000 inclusive of 18% VAT
- 3) Cash sales of FRW 826,000 inclusive of VAT
- 4) Irrecoverable debt FRW 100,000
- 5) During the financial year, there was no payment done in respect of VAT as frexboard is willing to claim for refund.

The liability balances the statement of financial position as at 31 December 2020 will be:

- A FRW 172,800
- B FRW 540,000
- C FRW 162,000
- D FRW 600,000

(2 Marks)

QUESTION 28

When the supplier statement is received by a business. They must check if the balance as per supplier's statement agree with:

- A Balance as per payable ledger control account
- B Balance as per payable ledger account
- C Supplier balance as per trial balance
- D Balance as per Credit purchase account

(2 Marks)

QUESTION 29

The account of Manzi trading Co received a supplier statement from Tsinda Ltd which details the following information;

Statement of account		Tsinda Ltd		
Manzi Trading Co KK-400 Kacyiru		KK 718-Gikondo		
		Date: 30-Nov-20		
		A/c no n-009		
Date	Details	Debit	Credit	Balance
		FRW	FRW	FRW
31/10/2020	Bal b/d			400,000
2/11/2020	Invoice no-347	30,000		430,000
5/11/2020	Invoice no-348	50,000		480,000
15/11/2020	Payment received through bank		100,000	380,000
19/11/2020	Credit note-117		30,000	350,000
Amount due				FRW 350,000
The payment must be done using the following bank account				
0094-15678-45 opened at Bank of Success				
Names account holder: Tsinda Ltd				

The accountant opened Tsinda ltd (payable) ledger account and noted the following information

Payable ledger		
Supplier name Tsinda Ltd		
Ref P-125		
System date 30-Nov-20		
Transaction date	Description	Debit/Credit
		FRW
27/10/2020	Invoice No-341	150,000
28/10/2020	Invoice-342	250,000
29/10/2020	Payment through bank	(120,000)
2/11/2020	Invoice no-347	30,000
5/11/2020	Invoice no-348	50,000
15/11/2020	Payment received through bank	(100,000)
19/11/2020	Credit note-117	(30,000)
Balance		230,000

The disagreement between supplier statement and payable ledger account balance is caused by,

- A Opening balance for these reports not reconciled
- B System error encountered while extracting payable ledger
- C Omitted invoice in payable ledger account
- D Invoice reported twice in supplier statement

(2 Marks)

QUESTION 30

Below are information detailing cash movement during the year ended 31 December 2020

- 1) Cash in hand as at 01 January 2020 FRW 100,000
- 2) Cash at bank as at 31 December 2019 FRW 250,000
- 3) Two suppliers paid their amount due by check as follows: Peter paid FRW 30,000 after taking advantage of FRW 10,000 discount while Mukire sent a cheque of FRW 150,000
- 4) Purchase of sanitizers and facemask worth FRW 400,000 on credit
- 5) Cash sales FRW 500,000
- 6) A cash float of FRW 60,000 was withdrawn by cashier from bank

Cash balance at bank in the Trial balance as at 31 December 2020 is?

- A FRW 360,000
- B FRW 370,000
- C FRW 150,000
- D FRW 470,000

(2 marks)

QUESTION 31

Munzenze District bank reconciliation for the month of 31 March 2021 shows that balance at bank is FRW 7,500. However, the bank statement received on 31 March 2021 indicate that the balance at bank is FRW 3,500.

The following could be the cause for such unreconciled difference:

- A A cheque of FRW 2,000 from a customer was submitted by Busasamana district to their bank but rejected due to incorrect signature. While preparing updated cash book, the amount was debited in cashbook
- B A cheque of FRW 4,000 received by Busasamana district was returned unpaid and dishonored cheque was credited in cashbook for FRW 4,000
- C Included in the unpresented cheque is a cheque of FRW 4,000 issued to a supplier, but this was paid by bank on 1 April 2021
- D On 31 March 2021 a receptionist of Munzenze district failed to deposit a cheque of FRW 4,000 to bank due to curfew hours and the cheque is among the uncredited cheques

(2 Marks)

QUESTION 32

Gigabyte carried out the following transaction in the first week of their operation

- 1) Purchase of motor vehicle on credit to facilitate the transport of staff at a cost of FRW 400,000
- 2) Cash purchase of FRW 500,000 from Bolingo
- 3) Credit sales of FRW 100,000 to bahate
- 4) Purchase of FRW 200,000 worth of goods from Kabaya Ltd on credit and FRW 150,000 credit purchase from Salom
- 5) Signed good received note issued to Manzi for goods worth FRW 450,000 with a credit period of 3 months
- 6) Goods worth FRW 20,000 was returned by Bahate
- 7) Defective goods of FRW 50,000 was taken out of stock and returned to Bolingo
- 8) Goods worth 80,000 purchased from Kabaya doesn't show expiration date and was returned

How much will be transferred from purchase daybook to payable control account

- A FRW 670,000
- B FRW 1,120,000
- C FRW 720,000
- D FRW 270,000

(2 Marks)

QUESTION 33

The correct journal entry to record a transfer of total credit purchase of FRW 236,000 inclusive of 18% VAT from purchase daybook to payable control account is:

- | | | | |
|---|-----------------------------|-------------|-------------|
| A | Dr. Purchase | FRW 236,000 | |
| | Cr. Payable control account | | FRW 236,000 |
| | | | |
| B | Dr. Purchase | FRW 236,000 | |
| | Dr. VAT A/C | FRW 42,480 | |
| | Cr. Payable control account | | FRW 278,480 |
| | | | |
| C | Dr. Purchase | FRW 200,000 | |
| | Cr. VAT A/C | | FRW 36,000 |
| | Cr. Supply control account | | FRW 164,000 |
| | | | |
| D | Dr. Purchase | FRW 200,000 | |
| | Dr. VAT A/C | FRW 36,000 | |
| | Cr. Payable control account | | FRW 236,000 |

(2 Marks)

QUESTION 34

Below is the trial balance of Rebero trading company as at 30 June 2021

	FRW 000	FRW 000
Motor vehicle	5,000	
Building	4,000	
Sales		10,000
Bank	800	
Capital		5,000
Returns outward		700
Wages and salaries	2,000	
Muringa-Supplier	600	
Payable control account		300
Rent	3,600	
Total	16,000	16000

The cause of debit balance for Muring-supplier in Trial balance could be:

- A Rebero trading company owes FRW 600,000 to Muringa-supplier
- B Supplier has supplied more than goods ordered by Rebero trading company
- C Rebero trading company made overpayment to Muringa-supplier
- D Rebero trading company purchased goods worth FRW 600,000 on credit from Muringa-suppliers

(2 Marks)

QUESTION 35

Busasamana Province prepare bank reconciliation at the end of each month. The government regulation issued by ministry of finance allows Busasama to maintain one bank account.

The following information relate to the month of May 2020 and they shall use that information to prepare bank reconciliation report of May 2021.

- 1.The bank statement sent by Vision Bank Ltd shows a bank overdraft of FRW 4,500
- 2.The total cheques issued to suppliers but not presented to bank were FRW 11,000
- 3.Busasamana has cheques of FRW 16,500 from customers not lodged in with the Vision bank

The balance as per cash book in Busasamana's books of account is

- A FRW 1,000 in hand
- B FRW 4,500 Overdrawn
- C FRW 10,000 Overdrawn
- D FRW 10,000 in hand

(2 Marks)

QUESTION 36

The cost of FRW 250,000 incurred by Mr brown to repair motor vehicle was debited in the motor vehicle account and credited to bank account

The journal entry to correct possible error in the above transaction is?

- A The transaction was correctly recorded, no error
- B Dr. Motor vehicle repair account FRW 250,000 and Cr. Motor vehicle reaccount
- C Dr. Motor vehicle account FRW 250,000 and credit Bank account FRW 250,000
- D Dr. motor vehicle repair expense account FRW 250,000 and Cr. Bank account FRW 250,000

(2 Marks)

QUESTION 37

Nyamata district has a bank statement showing a balance at bank of FRW 400,000. The cashbook shows a balance in hand of FRW 40,000. The standing order which was not recorded in books of account is FRW 50,000. There were no un-deposited receipts cheques. **How much was the total of unpresented cheques?**

- A FRW 360,000
- B FRW 410,000
- C FRW 310,000
- D FRW 490,000

(2 Marks)

QUESTION 38

The following balances were extracted from the ledger accounts of Keza

	FRW
Sales	800,000
Operating expenses	40,000
Rental income	70,000
Commission income	50,000
Account payable	100,000
Trade receivables	300,000
Interest cost	30,000
Prepaid electricity cost	60,000
Prepaid income	30,000
Unpaid wages	75,000

What is the trial balance total on the credit side?

- A FRW 1,135,000
- B FRW 1,060,000
- C FRW 1,050,000
- D FRW 1,195,000

(2 Marks)

QUESTION 39

The trial balance of Fashion Ltd as at 31 December 2020 is shown below:

	FRW	FRW
Repair cost for motor vehicle	30,000	
Motor vehicle	150,000	
Sales		200,000
Distribution cost	240,000	
Bad debt written off	50,000	
Trade receivable	60,000	
Closing Inventory	200,000	
Share capital		500,000
Insurance cost	70,000	
Machinery at cost	90,000	
Cash in hand	120,000	
Bank balance		140,000
Trade payable		170,000
	1,010,000	1,010,000

Total assets presented in the statement of financial position of Fashion Ltd is:

- A FRW 760,000
- B FRW 790,000
- C FRW 620,000
- D FRW 570,000

(2 Marks)

QUESTION 40

Below is the sales ledger control account of Munzenze coffee shop

Sales ledger control account

Description	FRW	Description	FRW
Bal b/d	400,000	Returns in wards	100,000
		Carriage in ward	20,000
Dishonored cheques	85,000	Customers payment	350,000
		Bad debts	15,000
Discount Allowed	120,000	Bal c/d	500,000

What was the credit sales for Munzenze coffee shop?

- A FRW 380,000
- B FRW 350,000
- C FRW 620,000
- D FRW 600,000

(2 Marks)

QUESTION 41

The following transactions appeared in the books of account of Rusine Ltd for the month of March 2021

- 1) Total credit purchase extracted from purchase day book FRW 250,00
- 2) Total payment made to the suppliers FRW 400,000
- 3) Discount received from suppliers FRW 90,000
- 4) Defective goods returned to suppliers FRW 50,000
- 5) Balance in payable control account as at 31 March 2021 FRW 100,000
- 6) Discount allowed to encourage prompt payment FRW 160,000

What was the balance in the payable control account as at 1 March 2021?

- A FRW 190,000
- B FRW 460,000
- C FRW 390,000
- D FRW 230,000

(2 Marks)

QUESTION 42

Which of the following statement is not correct?

- A The balance in the payable ledger account is transferred to the payable control account to know amount due to all suppliers
- B Debit balances in the payable ledger accounts are unusual
- C Other payable would normally be recorded in general ledger not in the payable ledger
- D The balance in the individual payable ledger accounts must agree with the balance in the payable ledger control account

(2 Marks)

QUESTION 43

The extract information from books of prime entry availed to you by Catheline trading company for the year ended 31 December 2021 is shown below

- 1. Total VAT as per sales day book FRW 200,000
- 2. VAT on cash sales FRW 110,000

3. Total VAT as per purchase day book FRW 80,000
4. VAT recorded in the purchase return day book FRW 20,000 but not recorded in the purchase daybook

Note: VAT refund as at 01 July 2020 FRW 10,000

What is the balance for VAT in the statement of financial position?

- A FRW 220,000 as asset
- B FRW 260,000 as asset
- C FRW 200,000 as asset
- D FRW 240,000 as asset

(2 Marks)

QUESTION 44

Mr gree started business on 01 January 2020. Below is the starting capital of Mr gree.

	FRW
Cash at bank	4,000,000
Private car transferred to business	10,000,000
Cash in hand	2,000,000
Total starting capital	16,000,000

The balance sheet for their first accounting period as at 31 December 2020 is shown below

	FRW
Total assets	20,000,000
Capital	12,000,000
Drawings	(3,000,000)
Total liability	11,000,000
Equity and liability	20,000,000

The total expense for the year ended 31 December 2020 is FRW 6,000,000

What was the profit/loss for the year ended 31 December 2020?

- A FRW 4,000,000 Profit
- B FRW 2,000,000 Loss
- C FRW 4,000,000 Loss
- D FRW 3,000,00 Profit

(2 Marks)

QUESTION 45

Muzungu is a business man who deals with different retails services in Musanze district. Below is the summary of his transaction for the quarter ending 30 June 2021.

	FRW
Cash sales	400,000
Returns in wards	500,000
Returns outwards	100,000
Carriage outward	65,000
Bad debt recovered	80,000
Bad debt written off	150,000
Discount received	40,000
Commission income	20,000

Additional relevant information

- (1) As at 01 April 2021 and 30 June 2021 the account receivable balances were FRW 150,000 and FRW 350,000 respectively.
- (2) The sales order issued on 30 June 2020 was FRW 600,000
- (3) Total amount received from debtors for the quarter ending 30 June 2021 was FRW 120,000

Total credit sales for the quarter ending 30 June 2021 is :

- A FRW 890,000
- B FRW 970,000
- C FRW 740,000
- D None of the above

(2 Marks)

QUESTION 46

The accountant of Textile Ltd prepared a trial balance and noted that credit side exceeded debit side by FRW 1,000,000. After a deep review, they noted that the credit sales of FRW 500,000 to Muzungu has been credited in both Receivable control account and sales account

The error would be corrected using the following journal entries:

- A Dr. Sales account FRW 500,00 and Suspense account FRW 500,000
- B Dr. Receivable control account FRW 1,000,000 and Cr. Suspense account FRW 500,000
- C Dr. Receivable control account FRW 1,000,000 and Cr. Suspense account FRW 1,000,000
- D Dr. Receivable control account FRW 500,000 and Cr. Suspense account FRW 500,000

(2 Marks)

QUESTION 47

Gigi is a sole trader based in the Western region, they are seeking advice regarding the correct meaning and use of remittance advice note

Which of the following statement is true?

- A It is sent to a buyer to inform them of the amount due
- B It is sent to the supplier to inform them of the amount being paid
- C It is sent to the bank to request them to process payment
- D It is an internal document used to record the amount received from customers

(2 Marks)

QUESTION 48

Which of the following statements are not correct?

- i. Purchase invoices are recorded in the purchase day book
 - ii. Purchase returns could not be shown as bracketed figures in purchase day book
 - iii. Credit sales and cash sales are recorded in the sales day book to show total sales made by entity
 - iv. Cash paid and cash received are both captured in the cash book
 - v. The transactions recorded in books of prime entry are summarized and posted to trial balance
- A i, ii and iv only
 - B ii and iii only
 - C iii and v only
 - D ii, iii and v

(2 Marks)

QUESTION 49

You are hired as new accountant of BMS Ltd and you are requested to prepare financial statement of BMS Ltd for the year ended 31 December 2020.

The following transactions relate to the financial year ended 31 December 2020

1. On 1 Jan 2020 the company provided a loan to of 24,000 to one of their suppliers at annual interest rate of 10%. The due date is 2 January 2021. On due date the supplier paid the loan and all interest
- 2 The company paid electricity cost of FRW 600,000 covering the year ending 31 August 2021
- 3 The investment income of FRW 50,000 covering the period from 1 July 2020 to 31 December 2020 was not received till the end of the year. The related income was received 10 January 2021.

Considering all these financial transactions, what total figures should be included in BMS's balance sheet as at 31 December 2020?

A	Current assets	FRW 76,400	Current liability	FRW 400,000
B	Current asset	FRW 74,000	Current liability	FRW 400,000
C	Current asset	FRW 476,400	Current liability	Nil
D	Current asset	FRW 676,400	Current liability	Nil

(2 Marks)

QUESTION 50

The payment of FRW 300,000 from Makeit Ltd was credited in cashbook as FRW 3,000,000.

The following entry in the cashbook is required to rectify the initial entry

- A Dr. Cash book FRW 3,000,000
- B Dr. Cash book FRW 3,300,000
- C Dr. Cash book FRW 300,000
- D Dr. Cash book FRW 270,000

(2 Marks)

End of question paper.