ACC204 TMA3

1).Accounting software enables financial transactions to be easily tracked and almost instantaneously

(A)Add and Subtract

(B)Reported and analysed

(C)Collect and report

(D)Analysed and Interprete

Ans: Reported and analysed

2).A quality of financial information that allows a choice to be made among alternative courses of action is said to be

(A)Verifiable

(B)Faithfully represented

(C)Comparable

(D)Understandable

Ans: Comparable

3).Which of the following is NOT an accounting convention?

(A)Consistency

(B)Prudence

(C)Materiality

(D)Realisation

Ans: Realisation

4).FIFO is an abbreviation of

(A)First institute of Forensic Orgsnization

(B)Federal insurance future online

(C)First In First Out

(D)Find in Fact Oil

Ans: First In First Out

5).Perpetual inventory approach maintains inventory records on a

(A)Accounting Basis

(B)Going Concern Basis

(C)Actual Basis

(D)Continuous basis

Ans: Continuous basis

6).The means of communicating to interested parties, information on the resources, obligations and performance of the reporting economic entity or enterprise is

(A)Statement of comprehensive Income

(B)Statement of changes in financial position

(C)Financial Statement

(D)Statement of cash flows

Ans: Financial Statement

7).A method of depreciation in which a fixed amount is charged to the Income Statement every year is.....method

(A)Reducing Balance

(B)Straight Line

(C)Sum of the yeas digits

(D)Sinking Fund

Ans: Straight Line

8).Inventories are generally referred to as the

(A)Goods Sold

(B)Unsold portion of goods held for resale

(C)Raw material

(D)Stocks

Ans: Unsold portion of goods held for resale

9).Which of the following is NOT information to be disclosed in financial statements?

(A)Statement of financial position

(B)Statement of comprehensive income

(C)Statement of accounting policies

(D)Directorsâ€™ Report

Ans: Directorsâ€™ Report

10).Depreciation in accounting is only

(A)A cost allocation process

(B)A cost Reduction process

(C)Cost Incremental

(D)Prudence

Ans: A cost allocation process