

DAY BOOKS AND DOCUMENTS

- 1 X keeps a full set of books of account. Where will the Sales account appear?
 - A general journal
 - B general ledger
 - C sales journal
 - D sales ledger
- 2 X buys goods on credit from Y, who issues an invoice. The goods are unsuitable and X returns them to Y without paying for them.

Which document should Y issue to X on receipt of the returned goods?

- A credit note
 - B debit note
 - C purchase invoice
 - D receipt
- 3 A business purchases goods on credit for \$800, less 25 % trade discount, with a cash discount of 5 % if payment is received in full within 28 days.

How much will the business pay if it settles within 28 days?

- A \$560
 - B \$570
 - C \$600
 - D \$760
- 4 A retailer bought 20 items from a manufacturer at list price of \$20 each, subject to 20 % trade discount. The retailer later returned ten of the items.

How much is entered in the Sales Returns Journal of the manufacturer?

- A \$160
 - B \$200
 - C \$240
 - D \$320
- 5 The totals of the discount columns in a trader's Cash Book were as follows.
\$200 Dr
\$150 Cr
What entry will the trader make in the Discount Allowed account?
 - A \$150 credit
 - B \$200 credit
 - C \$150 debit
 - D \$200 debit

- 6 What is the purpose of double entry bookkeeping?
 - A to apply the dual aspect concept
 - B to avoid errors
 - C to prepare books of prime entry accurately
 - D to record revenue and capital transactions correctly

7 The Bank account balance in the Cash Book was \$150 debit.

The following transactions were then entered in the Bank account.

	\$
Receipts from sales	4210
Dividends banked	180
Cheques paid to suppliers	3270

What was the new bank balance in the Cash Book?

- A \$790 credit B \$910 credit C \$970 debit D \$1270 debit

8 A business buys goods on credit for \$500. It is allowed trade discount of 10% and cash discount of 4%. Which amount will be entered in the purchases account?

- A \$432
B \$450
C \$480
D \$500

9 Goods returned to a supplier were entered in the supplier's appropriate journal.

Which account should be debited in the supplier's general ledger?

- A purchases
B returns inwards
C returns outwards
D sales

10 Winston sold goods on credit to Leroy.

Which entries should Winston make in his ledgers?

	sales ledger	general ledger
A	credit Leroy account	debit sales account
B	credit sales account	debit Leroy account
C	debit Leroy account	credit sales account
D	debit sales account	credit Leroy account

11 Harvey bought goods on credit from Janet. The goods were unsuitable and Harvey returned them to Janet.

Which document did Harvey send to Janet?

- A credit note
B debit note
C invoice
D statement of account

12 A business keeps a purchases journal, a purchases returns journal, a sales journal and a sales returns journal.

Which entries are made to transfer the monthly totals of these journals to the ledger?

	accounts to be debited	accounts to be credited
A	purchases purchase returns	sales sales returns
B	purchases sales returns	sales purchases returns
C	sales purchases returns	purchases sales returns
D	sales sales returns	purchases purchases returns

13 On 1 May Bashir purchases goods on credit with a list price of \$200. He is given a trade discount of \$20. If payment is made within 28 days a cash discount of \$10 will be given.

Which amount is credited to the supplier's account on 1 May?

- A** \$170 **B** \$180 **C** \$190 **D** \$200

14 Sally buys goods and is allowed a discount for early payment.

How does Sally record this discount?

	account to be debited	account to be credited
A	discount allowed	supplier
B	discount received	supplier
C	supplier	discount allowed
D	supplier	discount received

15 Alex issued a credit note to Marcus.

In which book of prime (original) entry would Alex record this?

- A** purchases journal
B purchases returns journal
C sales journal
D sales returns journal

16 Winston sold goods on credit to Leroy.

Which entries should Winston make in his ledgers?

	sales ledger	general ledger
A	credit Leroy account	debit sales account
B	credit sales account	debit Leroy account
C	debit Leroy account	credit sales account
D	debit sales account	credit Leroy account

17 A trader sends a monthly statement to a credit customer.
What is the purpose of sending this statement?

- A to demand immediate payment in cash
- B to inform the customer of his credit limit
- C to provide a summary of transactions
- D to notify the customer of goods awaiting delivery

18 Omar had a debit balance of \$6400 on the bank column in his cash book.
The following appeared on the bank statement, but not in the cash book.

	\$
bank charges	52
standing order payment	16
direct debit payment	9
dishonoured cheque from a customer	100

What was the debit balance on the bank column in the cash book after making entries for these items?

- A** \$6223 **B** \$6323 **C** \$6477 **D** \$6577

19 How are the totals of the sales journal and the purchases returns journal recorded in the ledger?

	total of sales journal	total of purchases returns journal
A	credit sales account	credit purchases returns account
B	credit sales account	debit purchases returns account
C	debit sales account	credit purchases returns account
D	debit sales account	debit purchases returns account

20 Goods purchased by Anna from Winston were returned before they were paid for. Where will Anna record the return of goods?

- A cash book and purchases ledger
- B general ledger only
- C general ledger and purchases ledger
- D purchases ledger only

21 Which document does a trader send to a credit customer to summarise the transactions for the month?

- A credit note
- B debit note
- C receipt
- D statement of account

22 Sarah sells goods on credit to Zafar. How is this recorded in Sarah's ledgers?

	general ledger		sales ledger	
A	credit	sales account	debit	Zafar account
B	debit	sales account	credit	Zafar account
C	credit	Zafar account	debit	sales account
D	debit	Zafar account	credit	sales account

23 Which statement about a debit note is correct?

- A It is sent to a customer to request payment of an account.
- B It is sent to a customer when his order cannot be supplied in full.
- C It is sent to a supplier to order additional goods.
- D It is sent to a supplier when damaged goods are received.

24 Hassan maintains a sales journal, purchases journal, sales returns journal and a purchases returns journal. At the end of each month, Hassan transfers the totals of these journals to the ledger. Which entries will Hassan make in his ledger to record these totals?

	account to be debited	account to be credited
A	purchases returns sales	purchases sales returns
B	purchases returns sales returns	purchases sales
C	purchases sales	purchases returns sales returns
D	purchases sales returns	purchases returns sales

- 25 At the end of April the discount column on the debit side of a three column cash book showed entries of \$80 and \$60.

How is this recorded in the ledger?

	account(s) to be debited	account(s) to be credited
A	discount allowed \$140	individual debtor accounts \$80 and \$60
B	discount received \$140	individual creditor accounts \$80 and \$60
C	individual creditor accounts \$80 and \$60	discount received \$140
D	individual debtor accounts \$80 and \$60	discount allowed \$140

- 26 Abdul sold goods on credit to Zaffar.

Which entries will Zaffar make in his ledgers?

	sales ledger		purchases ledger		general ledger	
	debit	credit	debit	credit	debit	credit
A	✓					✓
B		✓			✓	
C			✓			✓
D				✓	✓	

- 27 Melissa transferred \$5000 from the bank deposit account to the bank current account on 1 May. On the same day she received a bank loan, \$10 000, which she paid into the bank current account.

How will Melissa record these transactions?

	bank loan account		bank deposit account		bank current account	
	debit	Credit	debit	credit	Debit	credit
A	✓		✓			✓
B	✓			✓		✓
C		✓	✓		✓	
D		✓		✓	✓	

28 Why is the general journal used to correct errors in the ledger?

- A to avoid making corrections in the ledger
- B to complete the double entry
- C to have a written explanation of the ledger entries
- D to reduce mistakes in profit calculation

29 Dipankar often trades with Ashok.
In which order would the following documents be issued?

- A cheque, credit note, invoice, receipt
- B credit note, receipt, invoice, cheque
- C invoice, credit note, cheque, receipt
- D receipt, cheque, invoice, credit note

30 Which is entered in the general journal?

- A cash payment to an employee for expenses
- B correction of an error
- C credit purchase of goods for resale
- D return of goods by a customer