

# Sample [EduNgr.com](http://EduNgr.com) JAMB Past Questions

**JAMB » Accounts » 2015**

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1 An expense is said to be revenue in nature if it

A adds or contributes to the operating income of the business

B necessitates the introduction of additional capital

C reduces the capital of the business

D adds to or improves the value of fixed assets

---

2 An entry in a subsidiary book which does not form part of the double entry system is a

A contra entry

B single entry

C journal entry

D memorandum entry

---

3 Determine wage expenses from the given

information, wages outstanding at the beginning, wages paid during the period 15000 and wages outstanding of the period 2,000

A N16,000

B N17,000

C N13,000

D N14,000

---

4 Which method of pricing can be used

satisfactorily in either rising or falling price situation?

A Market price

B Average method

C FIFO

D Standard price

5 Use the information below to answer this question.

Stock	11,250
Debtors	18,750
Creditors	3,750
Bank	4,000
Net profit	7,500
Net	60,000

Calculate the acid test ratio

- A 5 : 1
  - B 6 : 1
  - C 6 : 1 : 1
  - D 4 : 1
-

6 Use the following information to answer this question.

Club building 400,000

Subscription prepaid 3,000

Sport kits 150,000

Bar creditors 85,000

Subscription owing 32,000

What is the club's accumulated fund?

**A** N699, 000

**B** N641, 000

**C** N402, 000

**D** N605, 000

---

7 What will be the number of shares to be issued to a subscriber who applied for 50,000 units.

A 20,000

B 18,000

C 15,000

D 12,000

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8 Use the information below to answer this question.

Buhari and Osinbajo are in partnership with the following partnership agreement

Buhari Osinbajo

Capital 40, 000 70, 000

Salary 10, 000 15, 000

Interest on capital 5% 5%

Profit/loss sharing ratio 40 60

The net profit for the year ended is N80,000.

"Drawings are N80, 000 and N12, 000 for Buhari and Osinbajo respectively"

What is Osinbajo share of profit?

**A** N19, 800

**B** N49, 500

**C** N48, 000

**D** N29, 700

---

**9** The major distinguishing element between the final account of a partnership and that of a sole trader

is the

- A** drawing A/C
  - B** capital A/C
  - C** Creditor A/C
  - D** Appropriation A/C
- 

**10** Use the information below to answer this question.

Stock	11,250
Debtors	18,750
Creditors	3,750
Bank	4,000
Net profit	7,500
Net	60,000

Determine the debtors collection period

- A** 114 days



**B** 68 days

**C** 37 days

**D** 41 days

**12** The accounting concept that allows the cost of kitchen cutlery to be expensed, though it can be used for more than one year is

**A** Materiality

**B** Accrual

**C** Going concern

**D** Business entity

---

**13** Use the information below to answer this question.

Timo and Chris are computer engineers who went into partnership as Teachi and Co. Timo brought cash of N12,000 furniture worth of N18,000 and vehicle

worth of 70,000. Chris equally brought in cash of 10,000 his building valued at 105,000 and personal computers worth N35,000.

What is the profit sharing ratio if it's based on capital contribution by Teechi and Co?

**A** 2 : 3

**B** 3 : 2

**C** 6 : 5

**D** 5 : 6

---

**14** When the invoice of a customer is overcast, the supplier will send to him a

**A** debit note

**B** cheque

**C** credit note

**D** payment voucher

- 15 Using LIFO method of stock valuation, analyze the issue quantities and their prices
- A 260 units at N1.50
  - B 700 units at N1.50
  - C 200 units at N1.50 and 500 units at N1.00
  - D 350 units at N1.50 and 350 units at N1.00
- 

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- 16 CR. DR.

Sales ledger balance 9, 500  
Sales ledger balance 420  
Bought ledgers balance 6, 115

Bought ledger balance 350  
Credit sales 82, 000  
Purchases journal 54, 700  
Discount allowed 450  
Discount received 200  
Cash refunded to customers (debtors) 120  
Purchases ledger balance 250  
Sales ledger balance 120

The amount brought down in the sales ledger control account would be

- A** N9, N1740; N120
  - B** N90, N990
  - C** N90, N870; N120
  - D** N80, N750
- 

**17** The ledger entries to be made if cash sales is banked is debit

- A** cash, credit sales

**B** sales, credit cash

**C** bank, credit cash

**D** bank, credit sales

---

**18** In a bank reconciliation statement, Dishonoured cheques is added to

**A** unpresented cheques

**B** uncredited cheques

**C** statement of account

**D** aggregate balance as per cash book

---

**19** Which of the following is a debit entry in debtors control account?

**A** discount allowed

- B** return inwards
  - C** credit sales
  - D** cash from debtors
- 

**20** Which of the following is not a proper form of the accounting equation

- A** fixed assets + current assets - liabilities = capital
  - B** fixed assests + current assests + liabilities = capital
  - C** fixed assets – liabilities + current assets = capital
  - D** fixed asset + current asset – capital = liabilities
-

21 The accounting convention that state that stock should be value that the lower of cost and net realized value is ----- convention

- A marching
- B consistency
- C realization
- D prudence

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22 What does liquidity ratio measure?

- A measures operating efficiency of a company
- B measures the ability of a company to meet its current obligations.
- C measures the value of investments of a company

**D** measures the financial leverage of a company

---

**23** Derive the stock turnover period.(Average stock = 23,000. Cost of sales = 300,000 year = 365 days).

**A** 28 days

**B** 42 days

**C** 27 days

**D** 23 days

---

**24** The following accounting entries are made when bad debt is recovered

**A** debit bad debts accounts and credit bad debt recovered account

**B** debit debtors accounts and recovered account



**C** debit bad debts recovered account and credit bad debts account

**D** debit bad debts account and credit profit and loss account

---

**25** One of the items listed below will not be found in a company's memorandum and article of association. Which is it?

**A** objects and their alteration

**B** location of business

**C** bank signatories

**D** powers of directors

---

26 The act of making necessary adjustment after comparing the actual cost with targeted cost is cost --  
-----

- A conversion
  - B control
  - C allocation
  - D analysis
- 

27 Sales ledger control account contains the total amount in respect of

- A creditors
  - B debtors
  - C investors
  - D shareholders
-

28 The following account are prepared when goods are sent to branch except

- A Branch stock
- B Goods set to branch account
- C Branch adjustment account
- D Branch debtors account

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29 The basis of accounting for public sector is

- A accrual basis
  - B cost basis
  - C revenue basis
  - D cash basis
-

30 Use the information below to answer this question

SegunOjo, didn't keep her books on double principle. On 1st Jan, 2014, cash in hand was 850, bank overdraft 3500, debtor 15,500, stock 18,000, fittings 9,000 and creditors 12,700. As at Dec, 2014, cash in hand was 1200, cash at bank 2,500, debtors 10,000, stock 20,500, furnishing 4,000 and creditors 17,000

Determine the closing capital 31/12/2014

- A 17,500
  - B 38,200
  - C 20,700
  - D 27,200
-

31 If the partnership agreement does not specify how net profit is to be divided, the profit should be divided

- A equally
  - B in accordance with an established
  - C in proportion of current account balances
  - D in proportion of weighted average of capital
- 

32 Use the information below to answer this question.

A business has three departments x, y and z

You are given the following information

Selling and distribution expenses N5200  
Rent for the year N6000

Department turnover floor space in square metres

X N60,000 80

Y N80,000 60

Z N100,000 60

How much rent is apportioned to department Z?

- A N1, 500
  - B N3, 000
  - C N1, 800
  - D N2, 000
- 

33 A sales for N2,570 was recorded in the sales day book as N2750. The error committed was

- A error of principle
- B error of commission

**C** error of original entry

**D** compensating error

---

**34** Use the information below to answer this question

Segun Ojo, didn't keep her books on double principle. On 1st Jan, 2014, cash in hand was 850, bank overdraft 3500, debtor 15,500, stock 18,000, fittings 9,000 and creditors 12,700. As at Dec, 2014, cash in hand was 1200, cash at bank 2,500, debtors 10,000, stock 20,500, furnishing 4,000 and creditors 17,000

Compute the capital as at 1st Jan, 2014.

**A** 27,150

**B** 43,350

**C** 16,200

**D** 34,350

---

35 Keeping records under single entry system has the advantage of

- A Quality in terms of records
- B Simplicity in terms of operation
- C Accuracy in terms of operation
- D Completeness in terms of records

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36 Which of the following is true in public sector accounting? Cost of assets is

- A depreciated on straight line method



- B** expensed in the year of purchase
  - C** charged to federation account
  - D** depreciated on reducing balance method
- 

**37** Which of the following accounts is debited when a delivery van is sold for cash?

- A** sales account
  - B** delivery van account
  - C** cash account
  - D** profit and loss accounts
- 

**38** When shares are sold at more than the per value, they are said to have been issued at

- A** A premium

**B** Normal value

**C** A discount

**D** A profit

---

**39** Calculate the total purchase of a business from the given information, cash purchases 3000; payments to creditors 54,000; creditors at the beginning 4000; creditors at the end 2,000

**A** N52,000

**B** N51,000

**C** N55,000

**D** N50,000

---

**40** Which of the following is shown in the profit and loss appropriation account of a company

- A** interest charges
  - B** depreciation
  - C** directors emoluments
  - D** dividends
- 

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**41** Use the information below to answer this question.

Dangote acquired Dantata's business for N350,000. The total asset work were N820,000 and liabilities amounted to N 640,000

The double entry to record the goodwill in the books is debt

**A** purchase of business account and credit cash account

**B** goodwill account and credit purchase of business account

**C** cash account and credit goodwill account

**D** goodwill account and credit cash account

---

**42** The income and expenditure account of a club is the same as

**A** single entry account

**B** a profit and loss account

**C** a trading account

**D** a cash book

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**43** Goods stolen at the branch is debited to

- A** branch stock account
  - B** defalcations account
  - C** branch debtors account
  - D** branch adjustment account
- 

**44** Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements are known as -----  
-----

- A** financial accounting
  - B** accounting policies
  - C** cost accounting
  - D** accounting conventions
- 

**45** Which of the following cannot be realized?

- A** creditors
  - B** debtors
  - C** motor vehicles
  - D** goodwill
- 

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- 46** If a trail balance is in agreement, one of the statements is untrue
- A** the accounting system is error free
  - B** equal debit entries and credit entries were recorded for each transaction
  - C** the debit and credit from the journal were posted to the accounts
  - D** account balances were correctly computed
-

47 Use the following information to answer this question.

Club building 400,000

Subscription prepaid 3,000

Sport kits 150,000

Bar creditors 85,000

Subscription owing 32,000

What is the club's total liabilities

**A** N11, 700

**B** N26, 700

**C** N88, 000

**D** N85, 000

---

48 If sales return is understated, it implies that -----  
----- is overstated

- A return inward
  - B sales figure
  - C cost of sales
  - D return outward
- 

49 Accounting information is used by investors and creditors of a company to predict

- A potential merger candidates for the company
- B appropriate remunerations for the company's staff
- C future cash flows of the company
- D future tax payments of the company

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50 Use the information below to answer this question.

	Dept A	Dept B
Sales	180, 000	150, 000
Cost of sales	79, 000	85, 000
Expense	28, 000	40, 000

How much is the gross profit for department A?

- A N101,000
- B N73,000
- C N79,000
- D N152,000

51 An advantage of using accounting ratios is that

- A can be easily calculated
  - B show errors and frauds
  - C facilitate decision making
  - D are stipulated by law
- 

52 The document setting out the regulations

regarding shares, meetings and internal organization of a company is known as

- A prospectus
  - B memorandum of association
  - C company law
  - D articles of association
-

53 The loss made by a non profit making organization is called

- A deficit
  - B surplus
  - C discount
  - D shortage
- 

54 If rent account is debited instead of rate account, the error committed is that of;

- A omission
  - B commission
  - C principle
  - D original entry
-

55 Use the following information to answer this question.

Provision for bad debt 1500

Additional information

1. Bad debt written off amount to 3000
2. Debtors balance as at the end of the year is 28,000
3. Provision for bad debts stand at 10%

How much is to be charged to profit and loss account as provision for bad debt?

- A N2, 800
  - B N1, 000
  - C N2, 500
  - D N3, 000
-

56 Use the information below to answer this question.

A limited liability company has an authorized shares capital of 50 million split into 100 millions shares. 80million shares are offered for subscriptions at 60k per share in full on application. These have been fully subscribed on issue

What is the nominal value of each share

- A N2
- B N0.80
- C N0.60
- D N0.50

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57 The interest of a petty cashier is N2450

Expenses N Printing 420 Cleaning 250 Stamp and

postage 175 How much was received to maintain the interest at the end of the month?

- A** N1, 605
  - B** N8, 45
  - C** N2, 450
  - D** N1, 300
- 

**58** The wear and tear of a fixed assets of a company which is chargeable to company's financial statement is called -----

- A** appreciation
  - B** amortization
  - C** provisions
  - D** depreciation
-

59 To realize an asset means to

- A mortgage it
  - B open its account in the ledger
  - C turn it to cash
  - D give it out as a collateral
- 

60 The process of cost apportionment is carried out so that

- A indirect costs may be controlled
  - B cost units could gather overhead as they pass through cost centres
  - C variable costs may be controlled
  - D common costs are shared among cost centres
-

61 Preliminary expenses is an example of

A fictitious assets

B liquid assets

C wasting assets

D tangible assets

---

62 Use the information below to answer this question.



Raw materials jan.	5,000
Raw materials dec.	5,800
Purchase of raw materials	45,000
Salary	61,000
Factory lubricant	2,050
plant depreciation	1,300
Factory insurance	1,250

The prime cost for the company is

- A** N169, 200
  - B** N44, 200
  - C** N55, 800
  - D** N230, 200
- 

**63** What is the ledger entry for sale of generator on credit to Patrick?

- A** credit sales account and debit Patrick's account
- B** credit generator account and debit cash account

**C** credit sales account and debit cash account

**D** credit generator account and debit Patrick's account

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**64** Sai Baba made sales of N10,000 having

computed his gross profit % to sales to be 20. His opening stock was N250 and ending stock is N200. Calculate his purchases.

**A** N7950

**B** N8050

**C** N7050

**D** N8950

---

65 Use the information below to answer this question.

Jejelaye Plc stock records for 2009 was given below:

Jan 1 received 100 units at N1.00

Jan 8 received 260 units at N1.05

Jan 20 issued 700 units at .....

Feb 3 received 400 units at N1.15

What will be the issued price of 700 units, using simple average method

**A** N1.183

**B** N1.025

**C** N1.00

**D** N1.05

---

66 Income and expenditure account is more detailed than receipts and payments account because it disclosed

- A cash
  - B cheques
  - C debtors
  - D stocks
- 

67 Capital reserves includes the following except

- A revaluation surplus
- B pre-incorporation profit
- C share premium
- D general reserves

68 Which of the following is not a feature of accounting information?

- A timeliness
  - B accuracy
  - C completeness
  - D affordability
- 

69 The accounting concept which assumes that business will continue to be in existence into the foreseeable future is

- A periodicity
- B business entity
- C dual aspect
- D going concern

- 70 The purpose of a trading account is to ascertain
- A sales
  - B carriage outwards
  - C gross profit or loss
  - D net profit or loss

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## 1. A

This is a very correct option to the question asked. Preliminary or preoperative expenses is a good example. They are expended and have a very great contribution to the income generated.

## 2. D

A memorandum entry is not a complete journal entry because it does not contain debit and credit amounts e.g. stock split which does not affect the common stock account.

## 3. A

## 4. B

An average method which accommodate all the prices and then divide (inform of mean) is well acceptable in either of the two situation.

## 5. C

given that acid test ratio is:

$$\frac{\text{Current assets} - \text{stock}}{\text{Current liabilities}}$$

$$\text{Current assets: } \frac{\text{stock} + \text{Debtors} + \text{bank} - \text{stock}}{\text{Current liabilities}}$$

$$\frac{11250+18750+4000-11250}{3750}$$

$$= 34000 - 11250 = 22750 = 6:1:1$$

**6. A**

Total asset less current liabilities

$$400000 + 205000 + 150,000 + 32000 - 85000 - 3000 = 699000$$

**7. A**

$$\text{Allotment} = 500,000 = 0.4 \text{ or } 40\%$$

∴ Each subscriber would get 40% shares of what they applied for.

$$\therefore 50,000 \times 0.4 = 20,000 \text{ units}$$

**8. D**

**9. D**

**10. A**

---



11. **B**

12. **A**

Materiality states that only items of material values are recorded e.g. the cost of a stapler should not be capitalized but expensed just as kitchen cutlery.

13. **A**

14. **C**

15. **A**

given that a maximum of 260 units can be taken from the last receipt, the balance of 440 units (700-260) would be issued at N 1.00 which would be taken from the first materials received (100 units)

16. **C**

17. **D**

18. **B**

dishonoured cheques are added to uncredited cheques just like standing order and bank charges.

19. **C**

**20. B**

---

**21. D**

**22. B**

liquidity ratio attempt to measure the ability to meet up with current obligations e.g. current ratio which measures the current asset to current liabilities.

**23. A**

Average stock / cost of sales x 365days.

**24. B**

**25. C**

**26. B**

**27. B**

The sales ledger control account is also known as debtors control account and includes all entries of debtors as if only one existed.

**28. D**

**29. D**

This is the basis for recording in government accounting where revenue are recorded when cash is received.

**30. C**

---

**31. A**

profit or loss are expected to be share equally in the absence of any agreement

**32. C**

**33. C**

This type of error deals directly with the wrong use of figures

**34. A**

**35. B**

**36. B**

In government account, assets are written off in their year of purchase.

**37. C**

Cash is received and expected to be debited going by the principles of double entry.

**38. A**

**39. C**

Total purchases = credit purchases plus cash purchases i.e. N52000 + N3000 = N55,000

**40. D**

---

**41. B**

when there is excess of purchase consideration over net assets, the accounting entries is to debit goodwill account as the receiving account and credit purchase of business account as the giving account.

**42. B**

this is because the income and expenditure account just like the profit and loss account shows the income to ascertain surplus or deficit.

**43. D**

**44. B**

**45. D**

Good will being an intangible asset cannot be seen or touched and are just believed to exist goodwill can only be valued to be a certain amount, the realizable value becomes a difficult task.

**46. A**

agreement of trial balance does mean it is error free. Some errors might not be disclosed by mere agreement

**47. C**

i.e. creditors plus subscription in advance  $85000 + 3000 = 88,000$

**48. B**

This is so because returns inwards are deducted from sales to ascertain the actual sales made after

subtracting defected goods

49. C

50. A

gross profit is sales less cost of sales i.e. N180,000 – N79,000 = N101,000

---

51. C

Accounting ratios helps management in taking decision the totality of the activities in an organization

52. D

the article of association center on the rules and regulation governing the internal working of the company. It's totally in line with the question.

53. A

deficit in a non for profit making organization stands for loss and it is the excess of expenses over bar profit and other income.

**54. A**

**55. B**

Being that debtors balance minus bad debt written off multiplied by 10% and subtracted from the initial provision

$$28000 - 3000 = 25,000 \times 10\% = 2500$$

$$\therefore 2500 - 1500 = 1,000 \text{ (increase in provisions)}$$

**56. D**

**57. B**

**58. D**

Depreciation is the reduction in the service potential of an asset as a result of wear and tear.

**59. C**

realization means when assets are disposed for cash as at the time of dissolution

**60. D**

Cost apportionment is the sharing of commonly incurred expenses proportionately where two or more

cost centres are involved

---

### 61. A

preliminary expenses are just like other asset but are unrealizable.

### 62. A

The prime cost are direct cost, direct material cost, direct labour cost and direct expenses.

Therefore:

Raw materials (jan) 5000

Add purchases 45,000

Less raw materials (dec) 5,800

Cost of raw materials consume 44,200

Prime cost 169,200

### 63. D



Patrick is receiving and should be debited while generator account is giving

### 64. A

The gross profit percentage of sales would be

$$20\% \times N 10,000 = N 2000$$

If cost of sales + gross profit = N 10,000 = N 2000

$$\therefore N 8000 + N 2000 = N 10,000$$

If cost of goods available for sales less closing stock

= cost of sales

$$\therefore N8200 + N200 = N8000$$

Hence; cost of goods available for sale = opening stock + purchases

$$\therefore N8200 = N250 + A$$

$$= N 8200 - N 250$$

$$= N 7950$$

### 65. B

simple average method usually add up all receipt prices ahead of the issued material divided by 2

### 66. C

the income and expenditure account unlike the receipts and payments takes records of accruals and prepayment

### 67. D

general reserves is not a form of capital reserves. It is considered as revenue reserves

### 68. D

accounting information and report must be accurate, complete and timely. Money spent to obtain an information is not as important as how useful are those information in taking decisions.

### 69. D

This concept is the only one among the listed that assumes that the business will continue to operate for an indefinitely long period of time.

### 70. C

The trading account is primarily prepared to ascertain gross profit or loss.

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