



FINANCIAL ACCOUNTING
FA001
16/07/2025 08 :30 AM – 11 : 30 AM

Names:
Index number:

SUBJECT: FINANCIAL ACCOUNTING

OPTION : ACCOUNTING

DURATION: 3 HOURS

S6 QUESTIONS and ANSWERS BOOKLET

ADVANCED LEVEL NATIONAL EXAMINATIONS, 2024-2025

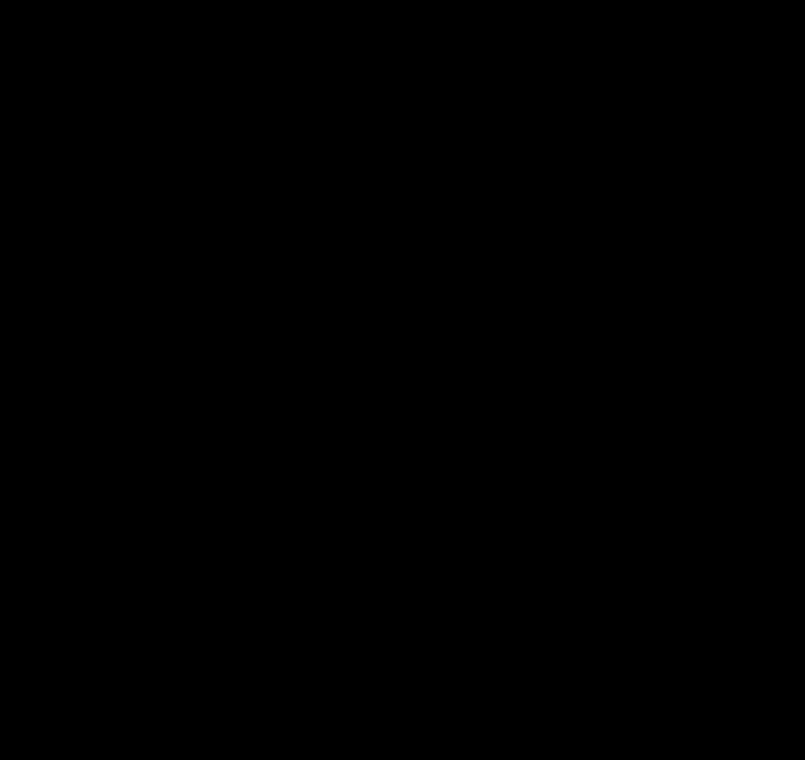
Instructions to candidates:

- 1) Write your names and index number on the answer booklet as they appear on your registration form.
- 2) This paper consists of **THREE** sections: **A, B** and **C**
Section A: Attempt **ALL** questions. **(40 marks)**
Section B: Attempt only **THREE** questions. **(30 marks)**
Section C: Attempt only **TWO** questions. **(30 marks)**
- 3) Use this question Paper for answering.
- 4) Show all workings where necessary.
- 5) Use only a **blue** or **black** pen.
- 6) For multiple choice questions, circle the correct answer (key)
- 7) Use this question paper for answering

TOTAL MARKS...../ 100

FOR EXAMINER'S USE ONLY

Questions	Marks	Questions	Marks
1		16	
2		17	
3		18	
4		19	
5		20	
6		21	
7		22	
8		23	
9		24	
10		25	
11		26	
12		27	
13		28	
14		29	
15		30	



Section A: Attempt ALL questions (40 marks)

For all multiple choice questions, circle the letter corresponding to the correct answer.

1) Fill the blank spaces with the appropriate accounting concept.

- A) states that accounts are prepared on the basis that the business of an enterprise is to continue for a long time and as such the assets other than current assets are valued at historical cost and not at their realizable value.
- B) assumes that accounting treatment of like items is consistently applied from one period to subsequent periods.
- C) states that income and expenses are recorded in the books as and when they are earned or incurred without considering the time of actual receipt or payments.
- D) implies that a business should not take into cognizance of any income or profit till there is a reasonable certainty, but should provide on anticipation of a loss fully irrespective of their difference in time of actual happening of such loss. **(4 mark)**

2) Which **Three** of the following transactions increase liabilities? Circle the correct answers. **(3 marks)**

- A) Securing a bank overdraft.
- B) Paying a loan
- C) withdrawing cash.
- D) Owner acquiring a loan from the bank.
- E) Business buying goods on credit.
- F) Sales on credit

3) Which **Three** of the following are the main type of financial statement? Circle the correct answers. **(3 marks)**

- A) Profit or Loss
- B) General Journal
- C) Cashbook
- D) Balance Sheet
- E) Ledger
- F) Cash flow

4) State whether each of the following statements is **True** or **False**. **(4 marks)**

- A) Posting is done in the journal.
- B) Posting will be made on the debit side of an account which had been debited in the journal.
- C) The word "To" is used with the name of an account while making posting on the credit side of an account.
- D) No narration is written while posting into ledger accounts.

5) After calculations, circle the correct amount of adjusted net profit, given that net profit as per books was 140,000 FRW, salaries were understated by 20,000 FRW and purchases overcast by 5,000 FRW. After calculations, Circle the correct answer.

- A) 125,000 FRW
- B) 115,000 FRW
- C) 155,000 FRW
- D) 165,000 FRW

(4 marks)

6) A. Which of the following is NOT an objective of the IFRS (International Financial Reporting Standards) foundation? Circle the correct answer.

(2 marks)

- I. To enforce IFRS Standards in most countries
- II. To develop IFRS standards through the IASB
- III. To bring about convergence of accounting standards and IFRS
- IV. To take account of the financial reporting needs of SME

B. Which **Two** of the following are objectives of accounting standards? Circle the correct answers.

- I. Provide standards which are transparent for users.
- II. Increase huge amount of variation in the treatment of accounting standards
- III. Provide a standard for the diverse accounting policies and principles.
- IV. To make financial statements comparable.

(2 marks)

- 7) Match the financial statement in Column A with its primary purpose in Column B: **(3 marks)**

Column A	Column B
Income statement	Shows the changes in the equity section of the balance sheet, including retained earnings
Balance sheet	Shows the company's profitability over a specific period
Cash flow statement	Shows the financial position of a company at a given period of time

- 8) From the published accounts of XYZ Co, the profit for the period is RWF 350,000. The balance retained earnings at the beginning of the year is RWF 50,000. If dividends of RWF 250,000 were paid; after calculations circle the correct closing balance: **(3 marks)**
- A. RWF 150,000
 B. RWF 250,000
 C. RWF 50,000
 D. RWF 70,000
- 9) The following information was given:

FRW

- John's capital 30,000
- Peter's capital 20,000
- Profit 100,000
- John's current account 15,000 Dr
- Peter's current account 10,000 Cr
- John and Peter share profits in the ratio 3:2

How much is the balance on John's current account? After calculations, circle the correct answer.

- A. 60,000 Dr
 B. 70,000 Cr
 C. 40,000 Dr
 D. 45,000 Cr

(4 marks)

- 10) A company's current assets are 125,000 FRW, fixed assets are 500,000 FRW, long term liabilities are 300,000 FRW and current liabilities are 85,000 FRW. What is its working capital? After calculations, circle the correct answer.
- A) 200,000 FRW
 B) 40,000 FRW
 C) 240,000 FRW
 D) 210,000 FRW

(4 marks)

11) State whether each of the following statements is **True** or **False**. **(4 marks)**

- a) Accrued income is a current liability
- b) Accrued expense is a current asset
- c) Prepaid income is a current liability
- d) Prepaid expense is a current asset

Section B: Attempt only Three questions (30 marks)

12) The following balances appeared in the bank column of Uwimana’s cash book for the month of December, 2023:

Uwimana’s cash book (Bank column)			
2023	FRW	2023	FRW
December 1 st Bal b/d	182,000	December 3 rd cheque No 056	44,500
5 th Deposit	32,000	10 th Cheque No 057	8,400
10 th Deposit	86,000	12 th Cheque No 058	138,000
21 st Deposit	70,000	12 th Cheque No 059	14,000
28 th Deposit	97,200	12 th Cheque No 060	9,000
		20 th Cheque No 061	4,050
		22 rd Cheque No 062	65,000
		30 th Cheque No 063	5,200
		30 th Balance C/d	179,050
	<u>467,200</u>		<u>467,200</u>

Her bank statement for the month of December, 2023 appeared as follows:

Bank statement as at 31st December, 2023				
Date	Details	Debit	Credit	Balance
2023 December 1 st	Balance b/d			182,000
3 rd	Deposit		32,000	214,000
4 th	Cheque No 056	44,500		169,500
10 th	Deposit		86,000	255,500
12 th	Cheque No 057	8,400		247,100
15 th	Cheque No 058	138,000		109,100
15 th	Cheque No 059	14,000		95,100
21 st	Deposit		70,000	165,100
21 st	Cheque No	4,050		161,050

	061			
21 st	Bank charges	500		160,550
26 th	Standing order	20,000		140,550

Prepare:

- (a) Adjusted cash book **(5 marks)**
 (b) Bank reconciliation statement **(5 marks)**

13) The following details were extracted from the books of ABC Ltd for the year ended 31st December, 2016:

	FRW
Debtors' balance 1/1/2016	4,000,000
Cash received from debtors	25,000,000
Bad debts written off	100,000
Sales returns	200,000
Debtors cheques dishonored	150,000
Discount allowed	700,000
Credit sales	30,000,000

Required: Prepare debtor 's control account. **(10 Marks)**

14) The data below was extracted from the books of KKM ltd, for the year 2021:

Opening balances of all equity account

Share capital 10,500,000 FRW

Retained earnings 23,540,000 FRW

Accumulated other comprehensive income 990,000 FRW

Preliminary financial data:

Revenue was 10,000,000 FRW and expenses were 9,500,000 FRW for the year. A cash dividend of 23,000,000 FRW was declared and paid in the current year. The other comprehensive income for the year is 120,000 FRW.

Prepare the statement of changes in equity for the year. **(10 marks)**

15) A motor vehicle was purchased from Japan at Cost, Insurance and Freight (CIF) to Mombasa at a value of 5,000,000 Frw. It costs 500,000 Frw to transport the vehicle from Mombasa to Kigali. Total taxes paid on the purchases transaction of the vehicle amounted to 2,000,000 Frw. The vehicle is expected to be used for 5 years, the end of which it will have a scrap value of 1,500,000 Frw.

- a) Calculate total cost of the motor van. **(1 mark)**

- b) Calculate the annual depreciation expense. **(1 mark)**
 c) Draw up the depreciation schedule. **(8 marks)**

Section C: Attempt only TWO questions (30 marks)

16) You have extracted a trial balance and drawn up accounts for the year ended 31 December 2008. There was a shortage of 292,000 FRW on credit side of the trial balance and a suspense account was opened.

During 2009, the following errors made in 2008 were discovered:

- i) A cheque of 55,000 FRW received from sale of old office equipment had been entered in the sales account.
- ii) Purchases day book had been overcast by 60,000 FRW.
- iii) A private purchase by cash of 115,000 FRW had been included in the business purchases.
- iv) Bank charges of 38,000 FRW entered in the cash book had not been posted to the bank charges account.
- v) A sale of goods 690,000 Frw to Clay was correctly entered in the sale book but entered in the personal account of clay as 960,000 Frw.

- a) Journalise the above entries to correct the errors. **(10 marks)**
 b) Prepare suspense account. **(5 marks)**

17) The following are Garden Ltd's statements of financial position as at 30 June 2018.

	30 JUNE 2017 (Frw"000")	30 JUNE 2018 Frw"000"
ASSETS		
Cash	102	134
inventory	31	21
Account receivable	21	42
Total Current assets	154	197
Long-term investments	2	3
Plant and Machinery	50	55
Intangible	4	2
Total Non-current asset	56	60
Total assets	210	257
Account payables	32	33
Creditors	1	0
Total current liabilities	33	33

Stockholder's equity	100	123
Retained earnings	77	101
Total shareholder's equity	177	224
Total liabilities	210	257

Prepare a statement that shows the trend analysis of Garden Ltd financial position as at 30 June 2018 **(15 marks)**

18) The following information has been provided by AKACU Ltd for the year ended 31.12.2022:

Details	Debit	Credit
Purchases and sales	2,376,500	4,550,000
Furniture and Fittings at cost	2,114,000	
Depreciation: Furniture and Fittings		889,000
Debtors and creditors	427,000	346,500
Wages	182,000	
Stock at 1 January, 2022	273,000	
Discounts (Allowed and Received)	38,500	31,500
Capital 1 January, 2022		1,466,500
Carriage outwards	77,000	
Bad debts	35,000	
Lighting	105,000	
Advertising	192,500	
Salaries	490,000	
Returns	98,000	234,500
Rent and Rates	451,500	
Drawings	322,000	
Carriage inwards	206,500	
Bad debts provision on 1 st Jan 2022		14,000
Cash at bank	77,000	
Cash in hand	24,500	
Postages	42,000	
Total	7,532,000	7,532,000

