

1. If a motor van was acquired for N55,000 with an estimated useful life of 5years and the residual value of N5000, using the straight line method of depreciation, what is the annual depreciation charge will be?  
N10,000
2. A trial balance is a proof of accuracy of:  
Double entry in ledgers
3. A situation in which the last batches of goods are considered to be sold first prior to earlier purchase is said to beâ€¦!  
LIFO Method
4. Which one of these is not an item of current liabilities:  
Prepaid Insurance
5. An error which occurs when an entry is made to the wrong account of a different class, a nominal account is debited to a real account is an error of:  
Principle
6. The amount which an entity owes its suppliers and others in the course of its business activities are usually expected to be paid within one accounting year is known asâ€¦!  
Account Payable
7. Using the residual balance method of depreciation, if a motor vehicle that cost N17,150 has a useful life of 5years and a residual value of N500, calculate the annual depreciation rate;  
0.51
8. One of the following items is not of revenue expenditure.  
Incidental freight
9. The type of loan with a fixed rate interest and long-term maturity date and it is usually traded on the stock market isâ€¦!  
Debenture
10. The accounting entries for assets withdrawn from business for private use in case of cash areâ€¦!  
Dr drawings account and Cr bank account

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