OGUN STATE INSTITUTE OF TECHNOLOGY IGBESA

Technology Driven with Sustainability

OGITECH QUALIFYING EXAMINATION PAST QUESTIONS AND ANSWERS
General (For Both Accountancy and Business Administration)
1. The proportion which the current of a firm bears with the current liabilities is called?
   (a) Gearing ratio
   (b) Acid test ratio
   (c) Liquidity ratio
   (d) Assets and liability ratio
   (e) Working Capital ratio
   Answer: E
2. The excess of the nominal value of a debenture issued over the cash received is called
   (a) Real value
   (b) Debenture Discount
   (c) Debenture premium
   (d) Issued debenture
   (e) Debenture price.
   Answer: B
3. The following are recorded in the profit and loss account EXCEPT
   (a) Debenture interest
   (b) Wages and salaries
   (c) Discount allowed
   (d) Commission receiver
   (e) Rent and rates
   Answer: D
4. Which of the following can result in the revaluation of the asset of a partnership firm?
   (a) When a partner is paid salary
   (b) When a partner earns bonus
   (c) When there is a change in the profit sharing ratio of the firm
   (d) When a partner contributed additional capital to the firm
   (e) When a son of a partner dies
   Answer: C
5. Prime cost is
   (a) Direct materials + Direct labour
   (b) Total production cost – Direct labour
   (c) Total variable overheads only
   (d) Total of all direct materials, direct labour and direct expenses
   (e) Direct materials + cost of sales
   (f) Answer: D
6. The system of stock valuation which ensures that issues of stock are made from the latest receipts is
   known as ____________
   (a) Last-in-firm-out
   (b) First-in-first-out
Average cost pricing
(D) First-in-first-priced
(E) Last-in-last-out

Answer: A

7. When a debt previously written-off is subsequently recovered, the accountant re-instates the debt by raising the following entry:
   (a) Dr. Cash a/c Cr. Debtors
   (b) Dr. Cash a/c Cr. Bad debt recovered
   (c) Dr. Debtors a/c Cr. Bad debt recovered
   (d) Dr. Debtors a/c Cr. Profit & loss a/c

Answer: C

8. The constitution that governs the relationship of partners in a partnership firm is called
   (a) Articles of association
   (b) The regulation
   (c) Memorandum of Association
   (d) Partnership resolution agreement
   (e) Partnership deed.

(f) Answer: E

(For Accountancy only)

9. The coordinated actions which have to be taken to ensure that funds available are adequately controlled and effectively utilized are known as _____________
   (a) Revenue control
   (b) Cash control
   (c) Expenditure control
   (d) Payment control
   (e) Budgetary control

Answer: C

10. Which of the following is an example of recurrent expenditure?
   (a) Advances granted to staff
   (b) Refund of unspent touring advance
   (c) Payment for utilities
   (d) Purchases of motor vehicle
   (e) Construction of access road.

Answer: C

11. An example of “below the line” account ____________
   (a) housing loan
   (b) Electricity bill
   (c) Purchases of plant and machinery
   (d) Salaries
   (e) Cash received from the ministry of finance

Answer: A
12. A non – Expendable store is a __________
   (a) Stationery item
   (b) Food stuff item
   (c) Shovel
   (d) Motor vehicle
   (e) Brush

   Answer: D

13. Store purchased for general stock rather than for a particular service for which the final vote of charge cannot be stated at the time of purchase is called __________
   (a) Allocated of store
   (b) Non-expendable store
   (c) Expendable store
   (d) Unallocated store
   (e) General store

   Answer: D

14. Which of these best describes the composition of the Board of Survey?
   (a) The president and not less than two members
   (b) The president and not less than four members
   (c) The president and not less than six members
   (d) The president and not less than three members
   (e) The president and not less than one members

   Answer: A

15. All of the following are debt instruments of foreign borrowing Except:
   (a) Government Development stocks
   (b) Treasury Bills
   (c) Government revenue Bonds
   (d) Paris Club rescheduling
   (e) Treasury certificates

   Answer: D

16. All the items listed below are the functions of the Local government, Except:
   (a) Licensing of bicycles, trucks, motors vehicles etc.
   (b) Naming of roads and numbering of houses
   (c) Registration of deaths and marriages
   (d) Provision of security for the entire local government council area
   (e) Construction and maintenance of Roads

   Answer: D

17. ONE of the following budgets shows the total salaries and allowances of various categories of staff in each ministry of department.
   (a) Salaries and wages commission budget
   (b) Personnel cost budget
(c) Total cost budget  
(d) Manpower Planning Budget  
(e) Human resources cost budget  

**Answer: B**

18. Where income is distributed in the economy evenly, this is referred to as:  
(a) Equitable income distribution  
(b) Inequitable distribution  
(c) Income distribution  
(d) Equity and Income distribution  
(e) Proportionate Income distribution  

**Answer: A**

**General (For Both Accountancy and Business Administration)**

19. When a fair coin is tossed once, a boy wins c100 if head shows up and loses c50 if tail shows up. Find his expected income  
(a) c25.00  
(b) c50.00  
(c) c55.00  
(d) c75.00  
(e) c150.00  

**Answer: A**

20. If the regression coefficient is positive, this indicates  
(a) High correlation  
(b) Negative correlation  
(c) Non-sense correlation  
(d) Low correlation  

**Answer: D**

21. How many samples of size 2 can be chosen from 5 numbers without replacement?  
(a) 32  
(b) 25  
(c) 20  
(d) 10  
(e) 7  

**Answer: D**

22. If the marginal cost of a product is given by \( MC = 9 + 3q^2 \), then the total cost is  
(a) \( 6q + C \)  
(b) \( 9q + 6q^2 + C \)  
(c) \( q^3 + C \)  
(d) \( 9q + q^3 + C \)  
(e) \( 9q + 6 + C \).  

**Answer: D**
23. If a sum of N12,000 is invested for two years at 8% compounded semi-annually, the amount is
(a) N12,979.20
(b) N14,038.30
(c) N13,920.00
(d) N13,996.80
(e) N14,480.00
Answer: B

24. Which of these statements is correct?
(a) Arithmetic mean < geometric mean < Harmonic mean
(b) Arithmetic mean = geometric mean = Harmonic mean
(c) Arithmetic mean > geometric mean > Harmonic mean
(d) Harmonic mean < geometric mean < Harmonic mean
(e) Arithmetic mean > geometric mean > Harmonic mean
Answer: C

25. Data obtained from these methods can be regarded as primary source of data Except:
(a) Observation method
(b) Personal Interview method
(c) Panel method
(d) Telephone Method
(e) Registration Method
Answer: E

26. The head and the tail of an arrow in a network respectively indicate the
(a) Beginning and the end of a task
(b) End and beginning of a task
(c) Head event and tail event
(d) Tail event and head event
(e) End task and tail event
Answer: B

27. The minimum duration of a project equals the sum of the
(a) Durations of all possible paths in the network
(b) Duration of the longest and the shortest activities
(c) Durations of activities on the longest non-critical path
(d) Durations of activities connecting events where the earliest start time equals latest start time
(e) Optimistic and the pessimistic time estimates of activities along the critical path.
Answer: D

28. Which of the following is collection of records of the same type or related data?
(a) Bit
(b) Byte
(c) Field
29. The sum of 11101\textsubscript{two} and 1111\textsubscript{two} is __________

(a) 11111\textsubscript{two}
(b) 111001\textsubscript{two}
(c) 101100\textsubscript{two}
(d) 111000\textsubscript{two}
(e) 1011101\textsubscript{two}

Answer: D

30. Serial transmission can occur wither

(a) Asynchronously or synchronously
(b) Serially or bi-serially
(c) Asynchronously or Bi-synchronously
(d) Synchronously or Bi-Asynchronously
(e) Bi-serially or co-synchronously

Answer: A

31. Which of these is NOT of the seven Open Systems Interconnection (OSI) Layer

(a) Application
(b) Data evolution
(c) Transport
(d) Network
(e) Physical

Answer: B

32. A keyboard with only 88 keys is called __________

(a) Enhanced keyboard
(b) Standard keyboard
(c) Cloned keyboard
(d) Classified keyboard
(e) Specified keyboard

Answer: B

33. A printer which prints whole lines at a time is called __________

(a) Image printer
(b) Character printer
(c) Line printer
(d) Laser printer
(e) Page printer

Answer: C

34. Which of the following is NOT a running or operating cost during systems development?

(a) Staff salaries
(b) Overheads
35. The contents of a feasibility study report excluded ONE of the following items.
(a) Current system issues
(b) Executive Summary
(c) Description of Options
(d) Conclusion
(e) Fact findings

**Answer: E**

36. The following are computer crimes common in an IT environment EXCEPT:
(a) Impersonation
(b) Data diddling
(c) International spreading of viruses
(d) Hacking
(e) Access to a large database

**Answer: E**

37. A security measure built into a system with the powers of judgment to determine the accuracy of output of result describes.
(a) Verification
(b) Validation
(c) Through out
(d) Bench mark test
(e) Test run

**Answer: D**

38. The group of accounting information users charged with achieving the goals of the business is its
(a) Employees
(b) Investors
(c) Accountants
(d) Management
(e) Creditors

**Answer: D**

39. When debtors make cash payment, total assets
(a) Increase
(b) Remain the same
(c) Decrease
(d) And owner’s capital increase
(e) And owner’s capital decrease

**Answer: B**
40. The capital of a business is one-third of its total assets. The total of its liabilities amounts to N600,000. What is the amount of its total assets?
(a) N300,00
(b) N600,00
(c) N900,00
(d) N1,200,000
(e) N1,800,000

Answer: C

41. Which of the following is NOT a Nominal Account?
(a) Interest paid
(b) Discount allowed
(c) Discount received
(d) Equipment
(e) Wages

Answer: D

42. The equality of debt and credit entries can be confirmed periodically by preparing the
(a) Trading Accounts
(b) Income and Expenditure Accounts
(c) Receipts and payments Accounts
(d) Balance Sheet
(e) Trial balance

Answer: E

43. Payment for a two-year insurance premium in advance requires a debit to the _______ account
(a) Insurance expense
(b) Insurance claim
(c) Prepaid Insurance
(d) Accrued Insurance
(e) Arrears Insurance

Answer: C

44. The fixed amount of money set aside for petty expenses is called:
(a) Overdraft
(b) Bank float
(c) Main cash
(d) Cash Float
(e) Cash Advance

Answer: D

45. Which of these costs is part of factory overhead?
(a) Sales Commission
(b) Managing Director’s Salary
(c) Depreciation on factory machinery
(d) Direct Labour
(e) Transportation of raw materials

Answer: C

46. During a financial year, a company has the following records:

Cash sales c20,000
Credit sales c100,000
Debtors outstanding at the beginning of the year was c6,000 and at the end of the year was c8,800. Payment by debtors during the year amounted to:

(a) c120,000
(b) c97,200
(c) c91,200
(d) c108,800
(e) c114,800

Answer: B

47. The terms of a partnership agreement provided that one of the partners is to receive a bonus of 20% of net-profit after deduction of the bonus. If net profit is Le66,000, what is the amount of bonus?

(a) Le6,600
(b) Le11,000
(c) Le13,200
(d) Le52,800
(e) Le22,000

Answer: B

48. In a free enterprise economy, the problems of what, how and for whom to produce are solved by

(a) A planning committee
(b) The elected representatives of the people
(c) Price Mechanism
(d) The government
(e) The legislature

Answer: C

49. Economic problems arise because of

(a) Unlimited resources
(b) Scarcity of resources
(c) Political rivalry
(d) Students unrest
(e) Poor management

Answer: B

50. When an individual’s income rises, the consumer’s demand for a normal good

(a) Rises
(b) Falls
(c) Remains the same
(d) Marginally falls
(e) Is zero
Answer: A
51. A set of economic propositions about what is, rather than what ought to be belongs to
(a) Economic policy
(b) Normative economics
(c) Positive economics
(d) Informative economics
(e) Political economics

Answer: C
52. A surplus budget can be used to
(a) Increase aggregate demand
(b) Combat inflation
(c) Boost employment opportunities
(d) Increase the level of economic activities
(e) Stimulate recovery from a recession

Answer: B
53. Which of the following statements best describes economic growth?
(a) An increase in the population of a country
(b) An increase in a country’s level of imports
(c) An increase in the country’s national income
(d) An increase in the employment opportunities
(e) An increase in the standard of living of the people.

Answer: C
54. In a floating exchange rate system, an increase in the number of units of a domestic currency needed in exchange for a unit of foreign currency is known as
(a) Revolution
(b) Devaluation
(c) Depreciation
(d) Appreciation
(e) Par value

Answer: C
55. A money market instrument used by the Central Bank to mop up excess liquidity in the economy is
(a) Money at call
(b) Treasury Bills
(c) Promissory note
(d) Bond
(e) Bill of exchange

Answer: B
56. An affiliate of the World Bank Group which grants loans and equity capital private enterprises is the
(a) European Investment Bank (EIB)
(b) African Development Fund (ADF)
(c) International Finance Corporation (IFC)
(d) International Development Association (IDA)
(e) International Monetary Fund (IMF)

Answer: C

57. The input to the production process, which represents innovation and risk-taking is called.
(a) Labour
(b) Capital
(c) Entrepreneurship
(d) Rent
(e) Land

Answer: C

58. The Supreme Court has powers to adjudicate over matters relating to interpretation of:
(a) Constitution
(b) Marital problems
(c) Petty thieving matters
(d) Traffic offence
(e) Corruption Charges

Answer: A

59. Identify a statute of general application out of the following:
(a) Status inforce in England on 1 January 1900
(c) Laws made by the Military
(d) Land Use Decree
(e) 1999/1992 Constitution

Answer: A

60. A stale cheque is a cheque that has been in circulation:
(a) For more than one year
(b) or more than two years
(c) For less than one year
(d) For more than six months
(e) For up to five years

Answer: D

(For Accountancy only)

61. An auditor applies the knowledge provided by the understanding of Internal control to determine the nature, timing and extent of:
(a) Attribute test
(b) Compliance test
(c) Test of control
(d) Substantive test
(e) Walk-through test

Answer: D

62. The “term of reference” to be agreed by the Investigating Accountant with the client before commencement of work include the following Except
(a) the general scope of work to be covered.
(b) the purpose of the Investigation
(c) timing within which the assignment will be carried out
(d) the basis on which fees will be charged.
(e) the organizational structure and management of the entity to be investigated

**Answer: E**

63. In accordance with the requirements of Insurance Act 2003 the fund of an insurance company should NOT be invested in
(a) Loans on life policies within their surrender value.
(b) Securities specified under the trustee Investment Act.
(c) Loans to small scale industries
(d) Loans of building Societies approved by the Commission
(e) Loans on real property, machinery and other properties in Nigeria.

**Answer: C**

64. Analytical procedures used in planning an audit should focus on identifying
(a) Areas that may represent specific risks relevant to the audit
(b) Material weaknesses in the internal control structure.
(c) The predictability of financial data from individual transactions.
(d) Conclusion of the audit

**Answer: A**

65. The procedure for Due Process Review include the following EXCEPT
(a) Codification of final report
(b) Granting or denying process certification.
(c) Preliminary discussion between BMPIU and beneficiary ministries.
(d) Preparation of draft report.
(e) Organisation of “Right off Reply” meeting.

**Answer: A**

66. The ethical principles that govern auditor’s responsibilities include the following except
(a) Professional Competence
(b) Integrity
(c) Objectivity
(d) Consistency

**Answer: D**

67. One of the following is NOT technique for value for Money Audit
(a) Management and Systems Review
(b) Effectiveness Review
(c) Review of management Policies and Mission
(d) Efficiency Assessment
(e) Analysis of Planning and Control Processes

**Answer: C**
68. One of the following is NOT included in the contents of the accountants report in a prospectus of a company wishing to offer its shares to the public.

(a) Balance sheet of the company at end of the last accounting period reported upon.
(b) Details of compliance with ICPC rules and regulations
(c) Details of the valuation of all quoted investments
(d) Details of any materials transactions between the company and its promoters.
(e) Particulars of floatation cost and preliminary expenses

Answer: B

69. In circumstances where restrictions that fundamentally limit the scope of the audit are imposed by the client, the auditor should issue which of the following opinions?

(a) Emphasis of the matter
(b) Subject to
(c) Disclaimer
(d) Adverse
(e) Except for

Answer: C

70. Which ONE of the following activities does NOT fall within “Social Audit”? Consideration for the

(a) Welfare of employees
(b) Welfare of investors
(c) Cause of inconvenience to the society
(d) Appropriateness of an entity’s advert to the society
(e) Review of an entity’s accounting and internal control system.

Answer: E

71. One of the elements of the expectation gap where users of financial statements may not known to whom the auditor is legally responsible to is ________ gap.

(a) Performance
(b) Standard
(c) Liability
(d) Differential
(e) Statutory

Answer: C

72. Which of the following is a post balance sheet non-adjustment event?

(a) Dividends receivable from subsidiary and associated companies
(b) Receipt of information relating to the rates of taxation
(c) Losses of assets either by fire or flood
(d) Determination of the purchase price or proceeds of sale of assets purchased or sold before the year end
(e) The insolvency of a debtor

Answer: C

(For Business Administration only)
73. The activity that monitors the production process to ensure that everything goes according to the production plan is _______
(a) Production Planning
(b) Quality Control
(c) Routing
(d) Production Control
(e) Production Monitoring

Answer: D

74. Which of the following statement is true of strategic plan?
(a) Plans designed to meet an organization’s broad goals
(b) Broad organizational goal, based on planning premises which justifies an organization’s existence.
(c) Plans that state the mission of an organisation
(d) Plans that prescribe the strategy of an organisation
(e) Plans that contain implementation procedures of an organisation

Answer: A

75. The principle which states the number of persons a manager can supervise directly is __________
(a) Span of control
(b) Span of manager
© Accountable manager
(d) Span of management level
(e) Functional principle.

Answer: A

76. A dysfunctional conflict is best described as __________
(a) Confrontation between groups that enhance and benefit the organisation’s performance.
(b) Confrontation between groups that harm the organisation or hinders achievements of goals
(c) Cognitive awareness on the part of at least one party that events have occurred or that condition exist favourable to creating overt conflict.
(d) Awareness which includes emotional involvement
(e) Independence that requires one group to complete tasks before another group.

Answer: B

77. A document that prescribes the responsibilities and privileges’ of each business partner is __________
(a) Prospectus
(b) Articles of Association
(c) Memorandum of Association
(d) Certificate of Incorporation
(e) Partnership Agreement.

Answer: E

78. A new approach to strategic control developed by Kaplan and Norton retaining financial and non-financial measures is __________
(a) Total Quality Management
(b) International Standard Measures
(c) Six Sigma Approach
(d) Balanced Score Card
(e) Management Control

Answer: D

79. Which of the following is Not a characteristic of effective control systems?
(a) Accurate
(b) Timely
(c) Realistic
(d) Flexible
(e) Corrective Action

Answer: E

80. Extending an existing brand name to new firms, colour, size, ingredients or flavours in an attempt to develop brands is called ________
(a) Brand extension
(b) Line extension
(c) Service extension
(d) Multi brands
(e) New brands

Answer: B

81. Which of the following is Not One of the steps involved in the selling process?
(a) Pre-approach
(b) Approach
(c) Presentation
(d) Promotion
(e) Prospecting.

Answer: D

82. According to Henry Mintzberg, a manager engaging in interpersonal roles will serve as ________
(a) Monitor
(b) Figurehead
(c) Disseminator
(d) Spokesperson
(e) Negotiator.

Answer: B

83. ONE of the following is the process by which people select, organize and interpret information to form a meaningful picture of the situation
(a) Learning
(b) Motivation
(c) Perception
(d) Belief
(e) Attitude

Answer: C
84. **The medium of advertising with high audience selectivity which allows personalization is**
   (a) Newspapers
   (b) Television
   © Internet
   (d) Magazines
   (e) Direct mail
   **Answer: E**

85. **The software that enables a group of people on a network to collaborate over long distance at the same time is**
   (a) Groupware
   (b) Internet
   © Extranet
   (d) Telecommunicating
   (e) Teleconferencing
   **Answer: A**

86. **The first stage in the planning process is**
   (a) Evaluation
   (b) Establishment of objectives
   (c) Decision making
   (d) Monitoring
   (e) Implementation
   **Answer: B**

87. **The principle which states that activities of every member of any organized group should be confined, as far as possible to the performance of a single function is**
   (a) The Principle of coordination
   (b) The Principle of definition
   (c) The Principle of specialization
   (d) The Principle of the objective
   (e) The Principle of objective
   **Answer: C**

88. **Ratios that measure ability to pay short-term obligations are called**
   (a) Current ratios
   (b) Profitability ratio
   (c) Leverage ratios
   (d) Liquidity ratios
   (e) Debt ratios
   **Answer: D**

89. **The systematic approach to addressing quality issues that involves an integrated, company-wide commitment to quality is**
   (a) Total quality management
   (b) Just-in-time system
(c) High quality system
(d) company-wide quality assurance
(e) Continuous improvement

Answer: A

90. The ability to perform a specialized task involving a particular method or process is _____ skill.
(a) Technical
(b) Human
© Method
(d) Process
(e) Conceptual

Answer: A

91. The aspect of the communication process through which message travel is known as
(a) sender
(b) Message
(c) Encoding
(d) Channel
(e) Noise

Answer: D

92. Which of the following is NOT a function of an Office?
(a) Receiving information from Internal and External sources
(b) Keeping records and information
© Storing, sorting and retrieving documents
(d) Keeping of Imprests
(c) Keeping the environment clean.

Answer: E

93. Fayol's principle of promoting employees' loyalty and continuity of service is
(a) Equity
(b) Espirit de corps
(c) Stability of tenure
(d) Discipline
(e) Order

Answer: C

94. Which of the following is NOT an example of computer hardware?
(a) Magnetic tape
(b) Electronic transmission
(c) Paper print out
(d) Spreadsheet
(e) CD.

Answer: D

95. The following are the steps involved in the planning process EXCEPT
(a) Empowerment
(b) Establishment of Objective
(c) Decision making
(d) Implementation of plans
(e) Monitoring

**Answer: A**

96. which of the following is NOT One of the techniques used for coordination?
(a) Committees
(b) Staff meeting
(c) Conferences
(d) Task forces
(e) Procedure

**Answer: E**

97. The motivation theory which assumes employees inherent dislike for work unless they are directed and coerced is called.
(a) Expectancy theory
(b) Theory X
(c) E R & G theory
(d) two-factor theory
(e) Affiliation theory

**Answer: B**

98. Marketing research objective designed to gather preliminary information that will help define the problem and suggest hypothesis is
(a) Exploratory research objective
(b) Descriptive research objective
(c) Casual research objective
(d) Sales research objective
(e) Experimental research objective

**Answer: A**

99. A set of unwritten values and beliefs about what is proper, right and appropriate in a business is
(a) Business analysis
(b) Business laws
(c) Business cycle
(d) Business culture
(e) Business development

**Answer: D**

100. The part of the firm’s profit that goes to stockholders is
(a) Premium
(b) Dividend
(c) Interest
(d) Brokerage
(e) Commission
Answer: B
101. Selling imports at prices that are below the cost of production and distribution is
(a) Price discrimination
(b) Hoarding
(c) Dumping
(d) Franchise
(e) Diversification
Answer: C

For Accountancy

102. Which of these is not an allowable expense in the computation of company income tax? ---
(a) bad debt written off
(b) expenses incurred for repairs of premises
(c) acquisition of new leases
(d) contribution to a pension, provident funds approved by the JTB
Answer: C

Use the information below to answer Question 103
Mallam Baba commenced trading on 1st July, 1993. His trading results were as follows:

<table>
<thead>
<tr>
<th>Period to</th>
<th>Year ended 30/9/94</th>
<th>Year ended 30/9/95</th>
<th>Year ended 30/9/96</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/9/94</td>
<td>300,000</td>
<td>480,000</td>
<td>417,000</td>
</tr>
</tbody>
</table>

103. What is the assessable income of the third year of assessment?
(a) #300,000
(b) #240,000
(c) #120,000
(d) #480,000
Answer: B

104. Allowance usually granted in lieu of depreciation under Nigerian Tax Law is called..
(a) allowable deductions
(b) personal allowance
(c) capital allowance
(d) general allowance
Answer: C

105. Losses are allowed to be carried forward for a maximum period of ---- year for trading organization, after which it lapses.
(a) two
(b) five
(c) three
(d) four
Answer: D

106. The following are conditions for an expense to qualify as allowable deduction under Companies Income Tax Act, except:
(a) exclusively
(b) carefully
(c) wholly
(d) reasonably
Answer: B
107. Under the commencement rules, a tax payer has the option to be assessed to tax on actual year basis for the year of assessment
(a) first and second
(b) second and third
(c) third and fourth
(d) first and third
Answer: B

108. The most productive source of tax revenue to the Federal Government is
(a) excise duties
(b) value added tax
(c) petroleum profit tax
(d) export duties
Answer: C

109. Income derived from employment, or from business, profession or vocation is known as..
(a) Statutory total income
(b) earned income
(c) gross income
(d) net income
Answer: B

110. An outright action whereby the tax payer seeks to minimize his tax liability through legal act is known as………..
(a) tax evasion
(b) tax incidence
(c) tax avoidance
(d) tax allowance
Answer: C

111. __ is a deduction at source, which gives the taxpayer no option as to whether to pay it or not.
(a) Income tax
(b) stamp duties
(c) withholding tax
(d) personal tax
Answer: C

General (For Both Accountancy and Business Administration)

112. A past consideration in a contractual agreement is:
(a) Consideration that is sufficient
(b) Consideration that moves from the promise
(c) Consideration in form of a gift
(d) Consideration that comes after the conclusion of the contract
Answer: D

113. A contract that is discharged by the destruction of the subject matter of the contract is said to be
(a) Terminated
(b) Avoided
(c) Frustrated
(d) Breached
Answer: C
114. Identify an example of future goods in a contract of sale of goods out of the following:
(a) goods that are yet to be manufactured
(b) goods packed in a warehouse
(c) goods destroyed by fire before delivery
(d) goods that are insured

**Answer: A**

115. Transfer of title from the seller to the buyer in a sale of goods contract involves which of the following?
(a) Sale of goods in a market overt
(b) Passing of ownership on the goods from the seller to the buyer
(c) Delivery of goods in a market overt
(d) Stopping of goods in transit

**Answer: B**

116. A person who undertakes to form a company or brings it into existence is called
(a) Principal
(b) Director
(c) Promoter
(d) Barrister

**Answer: C**

117. Courts of coordinate jurisdiction are
(a) Courts with equal powers
(b) Supreme Courts and Courts of Appeal
(c) Customary Courts and High Courts
(d) Magistrate Courts and Customary Courts

**Answer: A**

118. One of the following is NOT a function of a costing system
(a) It provides data for financial accounting
(b) It identifies sources of wastages or loss
(c) It provides information for fixing selling price
(d) It provides the management with means of controlling overall costs

**Answer: A**

119. Semi fixed costs contain
(a) Direct and avoidable costs
(b) Fixed and variable costs
(c) Avoidable and unavoidable costs
(d) Controllable and uncontrollable costs

**Answer: B**

120. Types of bonus and incentive schemes EXCLUDE ONE of the following
(a) High day rate system
(b) Group incentive scheme
(c) Tax payment by the employees
(d) Profit sharing scheme

**Answer: C**

**ACCOUNTANCY**

121. The following are the probability methods of treating risk in capital budgeting except: (a) expected value of NPV (b) Simulation (c) Variance (d) Coefficient of variation ANS=A

122. Use the information below to calculate the Pay Back Period.
The two modern discounted cash flow methods are: (a) ARR and NPV  (b) PBP and IRR  (c) ARR and IRR  (d) NPV and IRR  ANS=D

Profitability Index (PI) = (a) NPV  (b) PBP  (c) IRR  (d) ARR

Withholding Tax deducted at source on companies should be remitted to Federal Inland Revenue Service not later than ________ of the date of deduction.  (a) 60days  (b) 21 days  (c) 30 days  (d) 14 days  ANS=C

The income of an individual or a trustee or executor from a settlement trust or estate of a deceased person, made, create or administered in Nigeria is ascertained in accordance with the provisions of __ (a)PITA (b) CITA (c) CGT (d) VAT. ANS=A

Income Tax currently applicable to companies under CITA is 30% of ___ (a) Adjusted profit  (b) Total profit  (c) Net profit  (d) Chargeable profit. ANS =D

VAT is charged on all vatable goods and services at ___  (a) 10%  (b) 5%  (c) 30%  (d) 20%  ANS=B

The administration of Income Tax law in each State of the Federation is vested in ______  (a) Federal Inland Service  (b) State Inland Service  (c) Joint Tax Board  (d) Relevant Tax Authority. ANS=B

The Basis of assessment for an old establishment business is ____ (a) Actual Year basis  (b) Preceding year basis  (c) Normal Year Basis  (d) Abnormal Year Basis. ANS=B

The relevant Tax Authority for Nigerian Armed Forces and residents of the Federal Capital Territory(FCT) is --- (a) Federal Inland Revenue Service  (b) State Internal Revenue Service  (c) Joint Tax Board  (d) Body of Appeal Commissioners. ANS=A

The primary responsibility for detection and prevention of fraud rest with company’s -----(a) Management  (b) auditor  (c) shareholders  (d) employees ANS=A

The auditors’ terms of reference is usually documented in ---- (a) management letter  (b) letter of weakness  (c) engagement letter  (d) appointment letter ANS=C

The auditing procedures and techniques which make use of the computer, computer programmes or computer data as a means of obtaining audit evidence is called---(a) Test Data Packs  (b) Audit Software Programs  (c) CAATs  (d) Computer Programs  ANS=C

An audit which involves the verification of asset and liabilities of an enterprise at particular point in time is called--- (a) Balance Sheet Audit  (b) Internal Audit  (c) Final Audit  (d) Continuous Audit  ANS=A

The totality of information obtained by the auditor in arriving at his conclusion on an audit is known as----- (a) Audit Working Paper  (b) Audit Working Evidence  (c) Audit Evidence  (d) Substantive Evidence ANS=C

-------- are equities issued to individuals who subscribe to a firm’s share capital. (a) ordinary shares  (b) corporate bonds  (c) issue cost  (d) debentures ANS=A

The number of members of private company is limited to—(a) 100  (b) 20  (c) 50  (d) 45 ANS=C

One of the following is not a feature of Bill of Exchange. (a) it is an unconditional order  (b) it facilitates credit basis for transacting business. (c) it is drawn (issued) by a creditor and held to or discounted before full maturity  (d) it must be in writing(making it a document)ANS=B
140. The amount of capital (stipulated in the Memorandum of Association) which the company has been authorised to raise. (a) Issued Capital (b) Authorised Share Capital (c) Called-up Capital (d) Paid-up Capital ANS=B

141. ------ can be defined as the value of the commercial advantages which a business organization enjoys over its competitors. (a) quality (b) dividends (c) goodwill (d) interest ANS=C

142. The method by which firms raising new funds provide certain purchase privileges to their existing shareholders to subscribe at a preferential price is called--- (a) equity issues (b) golden shares (c) right issues (d) warrants ANS=C

Use the information below to answer Questions 143-145

Aseyori Ltd manufactures one product and the product’s Budgeted Information is as follows:

Direct materials 0.5kg @ ₦4.00 per kg = ₦2.00
Direct wages 2 hours @ ₦2.00 per hour = ₦4.00
Output 5,100 units

Actual Results:
Materials consumed amounted to 2,300kgs at a total cost of ₦9,800.
Labour hours paid for amounted to 8,500 hours at a cost of ₦16,800, but actual operating hours were 8,000 hours.
Actual production was 4,850 units

143. What is the Direct Material Price Variance? (a) ₦600A (b) ₦600F (c) ₦700F (d) ₦650F ANS=A

144. What will be the Direct Material Usage Variance? (a) ₦500F (b) ₦740A (c) ₦550A (d) ₦450F ANS=A

145. What is the Direct Labour Rate Variance? (a) ₦202F (b) ₦2,000F (c) ₦200F (d) ₦205A ANS=C

Use the information below to answer Questions 146-149

ATUNWA LTD has the following data for the sole product called BIZZ AIR FRESHENER for the year 2008.

Selling Price per unit = ₦30; Marginal cost per unit: Material = ₦7; Labour = ₦8; Direct expenses = ₦5.

Sales in units = 30,000; Fixed cost = ₦240,000.

Calculate:

146. Break even point in units (a) 24,000 (b) 44,000 (c) 34,000 (d) 14,000 ANS=A

147. Margin of Safety in value (a)N178,000 (b) N198,000 (c) N180,000 (d) N160,000 ANS=C

148. Breakeven point in value assuming that fixed cost will increase by 25% (a) N1,000,000 (b) N990,000 (c) N950,000 (d) N900,000 ANS=D
149. Breakeven point in units if the target profit is N160,000. (a) 40,000 units (b) 45,000 units (c) 40,500 units (d) 45,500 units. ANS=A

**Use the information below to answer Questions 150 - 151**

Okeke Company LTD requires 2000 units of a product annually at a price of N1.00 per unit. Every time the company makes an order, it incurs N8.00. If the annual inventory carrying charge is 20%.

150. Determine the economic order quantity for the product. (a) 500 (b) 400 (c) 450 (d) 550. ANS=B

151. How frequently should Okeke Ltd place an order? (a) 5 times (b) 6 times (c) 4 times (d) 8 times. ANS=A

**BUSINESS ADMINISTRATION AND MANAGEMENT**

152. The right of a superior to issue directives to his subordinates and secure voluntary compliance is known as (a) power (b) authority (c) command (d) responsibility. ANS=B

153. The breaking down of task into small units each of which can be performed by different individuals is (a) organization (b) division of labour (c) division of structure (d) all of the above. ANS=B

154. When a superior demands explanation for actions of the subordinate. This is known as (a) feedback (b) report (c) accountability (d) control. ANS=A

155. The giving of responsibility and authority to a subordinate by a superior is known as: (a) Promotion (b) Power (c) Delegation (d) All of the above. ANS=C

156. The board of directors of an organization may include (a) Major shareholders (b) Non-executive Director (c) Executive Director (d) All of the above. ANS=C

157. The accomplishment of a desired goal action with minimum resource is (a) Effectiveness (b) Efficiency (c) Target (d) All of the above. ANS=B

158. A good management objective must be (a) Hierarchical (b) Complimentary (c) Realistic (d) All of the above. ANS=D

159. Strategic Management is the function of (a) Middle level (b) Top management (c) Line manager (d) Functional management.

160. The physical function of moving goods from place to place is known as (a) channeling (b) Transportation (c) Delivery (d) Distribution. ANS=D

161. Which of the following is not a method of marketing research? (a) Historical method (b) Observational (c) Survey (d) Linear programming. ANS=D

162. The process of identifying, anticipating and satisfying customer requirement profitably is known as (a) selling (b) marketing (c) production (d) profiteering. ANS=D

163. Advertising is usually strategically designed to accomplish the objectives (a) Inform or persuade (b) inform and announce (c) promote and package (d) none. ANS=A

164. Factory layout decision includes all of the following except (a) Space availability (b) Power Cost (c) Machine layout.
165. The process of transforming purchased components into finished goods for sale is called (a) Mass Production (b) Production (c) Automation (d) Scheduling ANS=D

166. Production management and management are often referred to as Siamese twins (a) Inventory (b) Quality (c) Purchase (d) Finance ANS=B

167. The order which minimizes balance between ordering cost and carry cost is (a) EOQ (b) EPQ (c) OPQ (d) LPQ ANS=A

Use the information below to answer Questions 167-169

Aseyori Ltd manufactures one product and the product’s Budgeted Information is as follows:

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- Direct wages 2 hours @ ₦2.00 per hour = ₦4.00
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169. What is the Direct Labour Rate Variance? (a) ₦202F (b) ₦2,000F (c) ₦200F (d) ₦205A ANS=C

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174. Breakeven point in units if the target profit is N160,000. (a) 40,000 units (b) 45,000 units (c) 40,500 units (d) 45,500 units ANS=A

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175. Determine the economic order quantity for the product. (a) 500 (b) 400 (c) 450 (d) 550 ANS=B
176. How frequently should Okeke Ltd place an order? (a) 5 times (b) 6 times (c) 4 times (d) 8 times ANS=A