



**CERTIFIED ACCOUNTING TECHNICIAN**

**STAGE 1 EXAMINATION**

**S1.1 RECORDING FINANCIAL TRANSACTIONS**

**DATE: TUESDAY 25, FEBRUARY 2025**

**INSTRUCTIONS:**

- 1. Time Allowed: 2 hours and 30 minutes**
- 2. This examination has one section only: Section A**
- 3. Section A has 50 compulsory multiple-choice questions, each question has 2 marks**
- 4. The question paper should not be taken out of the examination room**

## **SECTION A**

### **QUESTION ONE**

**For which of the following accounts a credit balance arises when the accounts are balanced at the period end?**

- A Receivables Ledger Account – These are assets and have a debit balance.
- B Drawings Account – These are expenses which have a debit balance.
- C Payables ledger Account
- D Noncurrent Assets Account – These are assets and have a debit balance.

**(2 Marks)**

### **QUESTION TWO**

A company made sales of FRW 950,000 (inclusive of VAT) and purchases of 690,000 (exclusive of VAT) in the month.

Assuming a VAT rate of 19%, **what should the VAT account have as a balance?**

- A FRW 49,400 credit
- B FRW 260,000 debit
- C FRW 20,581 debit
- D FRW 20,581 credit

**(2 Marks)**

### **QUESTION THREE**

**How can an entity ensure that petty cash payments made are for authentic expenditure?**

- A Stapling receipts to the vouchers
- B Recording all vouchers immediately into the petty cash book
- C Allowing only a few employees access petty cash.
- D Ensuring petty cash vouchers are signed by appropriate mandates.

**(2 Marks)**

### **QUESTION FOUR**

MURAGIJIMANA, a sole trader selling cabbages in NYABUGOGO started her business with a starting capital of FRW 5,000,000 on 01<sup>st</sup> January 2022, during the month of June 2022, she injected a loan of FRW 10,000,000 from the Bank of Nyamata, however, as a non-accountant woman, she did not keep records of further injections. Her business bank account has a credit balance of FRW 45,000,000 as at 31<sup>st</sup> July 2022 as appears on the bank statement.

**What is the real value of MURAGIJIMANA's retained profits as at 31<sup>st</sup> July 2022?**

- A FRW 60,000,000
- B FRW 50,000,000
- C FRW 15,000,000
- D FRW 30,000,000

**(2 Marks)**



## QUESTION FIVE

**Which one of the following statements best describes the capital expenditure?**

- A It is an expenditure on non-current assets, including repairs and maintenance
- B It is an expenditure on expensive assets
- C It is an expenditure relating to the issue of shares
- D It is an expenditure relating to the acquisition or improvement of non-current assets

(2 Marks)

## QUESTION SIX

If an employee expected to receive a net pay of FRW 500,000, but actually got FRW 425,000.

**Where should the check be done?**

- A From the supervisor
- B Go to the tax Authorities.
- C Payroll document
- D Pay slip provided.

(2 Marks)

## QUESTION SEVEN

MUTIMUCYEEYE purchased on credit 2,000 Kilograms of Maize flour from BASIL FACTORY Ltd for FRW 2,000,000. Few months later, the client became a bad debtor and her debt became irrecoverable.

**Which journal entry should be passed to write off this irrecoverable debt?**

- A Dr. Receivables expense account, Cr. Revenue account
- B Dr. Receivables expense account, Cr. Bank account
- C Dr. Receivables expense account, Cr. Receivables control account
- D Dr. Receivables expense account, Cr. Discount received

(2 Marks)

## QUESTION EIGHT

**Which of the following are the reasons for maintaining control accounts?**

- i) To simplify the preparation of final accounts
- ii) To check the accuracy of postings
- iii) To confirm the value of sales
- iv) To assist in locating errors in posting

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (i), (ii) and (iv)
- D (ii), (iii) and (iv)

(2 Marks)

## QUESTION NINE

**Which of the following is not among the reasons of disagreements between receivables and payables control accounts and the total of the list of balances?**

- A Incorrect addition of payments and invoices from the books of original entry
- B Credit notes entered as invoices and invoices entered as credit notes
- C Invoices posted to the wrong side in the control account
- D Credit balances treated as debit balances in the list of balances

(2 Marks)

## QUESTION 10

**Which of the following best describes the usefulness of an aged debtor analysis for monitoring debtors?**

- i) An understanding of how quickly your customers are paying you on average
- ii) An ability to compare the speed of customer payments relative to industry benchmarks
- iii) An ability to track the effectiveness in detail of changing debtor management practices
- iv) An analysis of the proportion of your debtors who are unlikely to pay you

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (i), (ii) and (iv)
- D All of the above

(2 Marks)

## QUESTION 11

**Nduwayo Transporter's trial balance included the following items on 1 May. Note: (all figures in FRW '000')**

Subscriptions to the industry regulators due	15,000
Inventory at 1 May	67,490
Salaries of staff not paid in April	18,000
Trade payables	22,800
Bank overdrafts	7,500
Loan due for payment in 2 years' time	50,000
Trade receivables	39,200

**What is its total current liability?**

- A FRW 113,300
- B FRW 63,300
- C FRW 50,000
- D FRW 106,690

(2 Marks)



## QUESTION 12

Sales usually contain a tax element. **In which book of prime entry would the sales tax on cash sales be recorded?**

- A Journal
- B Cash book
- C Sales day book
- D Purchases day book

(2 Marks)

## QUESTION 13

**Which of the following statements is incorrect concerning customer statements?**

- i) Statements of account are sent to customers at the end of each month to tell them how much they are owed by the organization, with details of the transactions involved.
- ii) Statements of account are sent to customers at the end of each month to tell them how much they owe employees, with details of the works performed.
- iii) Statements of account are sent to customers to tell them how much they owe the organization, with details of what they purchased.
- iv) Statements of account are sent to customers to tell them how much they owe the organization, with details of what they Supplied to it.

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (i), (ii) and (iv)
- D All of the above

(2 Marks)

## QUESTION 14

MUKUNDWA owns a garage in GATSATA; she always verifies that the purchase ledger record for each supplier is accurate before signing supplier balance checks, so she creates a supplier statement reconciliation.

**Which of the following are the steps for performing Supplier statement reconciliations?**

- i) Tick off the items which appear in both the statement and the payables ledger
- ii) Check transactions appearing on bank statement but not in cashbook
- iii) Agree the opening balance on the supplier's statement
- iv) Identifying standing others on the bank statement

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (i), (ii) and (iv)
- D (i), (iii) only

(2 Marks)

## QUESTION 15

**Which of the following documents is issued by a seller in regard to items returned?**

- A Faulty goods statement.
- B Debit note.
- C Goods received note.
- D Credit note.

(2 Marks)

## QUESTION 16

Sikubwabo has a balance of FRW 900,000 on their payable's ledger control account at 30 June 2023. What does this balance indicate?

- A It has bought FRW 900,000 worth of goods from suppliers in June.
- B It has paid FRW 900,000 to its suppliers.
- C It is owed FRW 900,000 worth of goods supplied to its customers by June.
- D It owes FRW 900,000 to its suppliers of goods supplied as of June.

(2 Marks)

## QUESTION 17

**What is needed for a cheque to be properly authorized in the bank?**

- A A remittance advice and the accompanying statement from supplier
- B Evidence of an underlying transaction and an approved requisition
- C A receipt stapled to an invoice.
- D Sufficient funds in the bank

(2 Marks)

## QUESTION 18

RUZINDANA Operates a shoes store in Kigali down town, the businessman wants to reconcile his cash book to the bank statement. His Bank account in the general ledger has a balance of FRW 70,080,000 and the balance on his bank statement is FRW 13,900,000 overdrawn. he finds the following differences:

- i) Bank charges of FRW 1,000,000 and direct debits totalling FRW 6,500,000 have not been posted to the cash book
- ii) There are unrepresented cheques of FRW 11,080,000
- iii) He paid in a batch of cheques received two days ago totalling FRW 82,960,000 and these have not yet been credited to his account
- iv) A cheque he paid in last week for FRW 4,600,000 has been dishonoured.



**What will the reconciled balance be?**

- A FRW 141,960,000
- B FRW 65,480,000
- C FRW 57,980,000
- D FRW 53,380,000

(2 Marks)

### QUESTION 19

MUREKEZI sold the following goods for cash during the month of September:

Date	Customer name	Net price	VAT
03/09/2022	MBANDA	67,600	12,168
	NIYONKURU	50,050	9,009
	RWAMUCYO	21,600	3,888

**What are the correct entries in MUREKEZI's general ledger?**

- A Dr Sales FRW 139,250      Dr VAT FRW25,065      Cr Cash FRW 164,315
- B Dr Cash FRW139,250      Dr VAT FRW25,065      Cr Sales FRW164,315
- C Dr Sales FRW164,315      Cr VAT FRW25,065      Cr Cash FRW 139,250
- D Dr Cash FRW164,315      Cr Sales FRW139,250      Cr VAT FRW25,065

(2 Marks)

### QUESTION 20

**A suspense account shows a credit balance of FRW1,300,000.**

**What could this be due to?**

- A Omitting a sale of FRW 1,300,000 from the receivables ledger
- B Recording a purchase of FRW 1,300,000 twice in the purchases account
- C Failing to write off an irrecoverable debt of FRW 1,300,000
- D Recording an electricity bill paid of FRW 1,300,000 by debiting the bank account and crediting the electricity account

(2 Marks)

### QUESTION 21

**Identify the correct posting from a purchase day book to the ledgers.**

- A Dr Suppliers' accounts in payables ledger, Cr General ledger purchase account
- B Dr Cash book, Cr General ledger purchase account
- C Dr General ledger purchase account, Cr Suppliers' accounts in payables ledger
- D Dr General ledger purchase account, Cr Cash book

(2 Marks)

## QUESTION 22

On 1 August, the receivables ledger control account had a balance of FRW 32,750. However, in the month of August sales of FRW 150,000 were made with FRW 125,000 being on credit and FRW 25,000 on a cash basis. Receipts from the receivables amounted to FRW 122,500, and there were contras with payables ledger control account of FRW 550. Refunds were made to customers of FRW 1,300.

**What is the closing balance as at 31<sup>st</sup> August on the receivables ledger control account?**

- A FRW 33,400 debit
- B FRW 37,100 debit
- C FRW 36,000 debit
- D FRW 34,500 debit

(2 Marks)

## QUESTION 23

According to RUGIRA's records, his business bank account is overdrawn by FRW 2,600,000, yet the balance shown on his bank statement is only FRW 1,200,000 overdrawn. Assuming no errors have been made by RUGIRA or the bank.

**What could account for this difference?**

- A Bank interest of FRW 1,400,000 charged by the bank
- B Customers' cheques totalling FRW 1,400,000 paid into the bank by RUGIRA
- C Unpresented cheques posted to suppliers totalling FRW 1,400,000
- D A FRW 1,400,000 increase in the business overdraft facility

(2 Marks)

## QUESTION 24

MUKUNDWA's receivables ledger showed that FRW 457,000 was owed by customers at the start of the week. During the week MUKUNDWA made sales of FRW 694,000 of which FRW 100,000 were cash sales. She also received FRW 564,000 in cheques from customers.

**What is the closing balance on MUKUNDWA's receivables ledger?**

- A FRW 557,000
- B FRW 487,000
- C FRW 357,000
- D FRW 664,000

(2 Marks)

## QUESTION 25

RUTAYISIRE runs his shoes business at KAGUGU and is registered for VAT at a Tax Authority. This week his purchases were FRW 4,360,000 inclusive of VAT and his Vatable sales were FRW 1,800,000 exclusive of VAT. The rate of VAT is 18% in Rwanda.



At the end of the week, what will the VAT account in her ledger show?

- A FRW 324,000 Payable
- B FRW 665,085 Receivable
- C FRW 341,085 receivable
- D FRW 784,800 payable

(2 Marks)

## QUESTION 26

MUTIMUCYEEYE, a CAT student was employed by LAMEK boutique to prepare its accounts on regular basis. She is confused in processing transactions involving payables control account and seeks clarity on the following.

**The balance on the payables ledger control account should be equal to which other figure in the accounting system?**

- A The total of balances on the individual customers' accounts
- B The unreconciled balance on the receivables ledger control account
- C The balance on the receivables ledger control account reconciled for items in transit
- D The total of the balances on the individual suppliers' accounts

(2 Marks)

## QUESTION 27

BERWA operates a petrol station at KABUGA, while performing a purchase ledger control account reconciliation she found the following errors:

- i) The purchase day book was overstated by FRW 720,000
- ii) A credit note for FRW 38,000 was omitted from the purchase ledger

**Which of the following shows the necessary adjustments to ensure that the balances reconcile at the correct amount?**

- A Dr Purchase ledger control account FRW 720,000, Add FRW 38,000 to the list of supplier balances
- B Cr Purchase ledger control account FRW 720,000, Subtract FRW 38,000 from the list of supplier balances
- C Cr Purchase ledger control account FRW 720,000, Add FRW 38,000 to the list of supplier balances
- D Dr Purchase ledger control account FRW 720,000, Subtract FRW 38,000 from the list of supplier balances

(2 Marks)

## QUESTION 28

In reconciling the payables control account to the payables ledger, RWAMUCYO noticed the following discrepancies:

- i) A credit note for FRW 65,000 has been posted to the wrong side of the control account
- ii) The payables ledger has not been adjusted for a receivables ledger offset of FRW 750,000
- iii) An account with a credit balance of FRW 197,000 has been omitted from the list of payables ledger balances.

The balance on the payables control account is FRW 5,525,000. The balance on the payables ledger is FRW 6,548,000

**What is the reconciled balance?**

- A FRW 5,860,000
- B FRW 5,401,000
- C FRW 5,342,000
- D FRW 5,795,000

(2 Marks)

## QUESTION 29

MULAMBA is a VAT registered taxpayer who claims a refund of value added tax each quarter due to the nature of his sales.

**Which of the following portrays the correct entry of a non-recoverable VAT for a non-VAT registered supplier?**

- A Dr. Purchases FRW 4,000,000 Dr. VAT account (input tax) FRW 720,000  
Cr. Trade accounts payable FRW 4,720,000
- B Dr. Purchases FRW 4,720,000 Cr. Trade accounts payable FRW 4,720,000
- C Dr. Trade accounts payable FRW 4,720,000 Cr. Purchases FRW 4,720,000
- D Dr. Purchases FRW 4,000,000 Cr. VAT account (input tax) FRW 720,000  
Cr. Trade accounts payable FRW 4,720,000

(2 Marks)

## QUESTION 30

KAMUGISHA is an accountant at TKK SECURITY company, the following VAT account has been extracted from the company's books of accounts.

VAT ACCOUNT			
	FRW'000"		FRW'000"
Input VAT	19,100	Output VAT	48,800
Balance c/f	29,700		
	<b>48,800</b>		<b>48,800</b>



**Which of the following portrays the correct meaning of account's closing balance?**

- A FRW 48,800,000 of VAT refundable
- B FRW 48,800,000 of VAT Payable
- C FRW 29,700,000 of VAT Payable
- D FRW 29,700,000 of VAT Refundable

(2 Marks)

### QUESTION 31

AMANI business buys a machine for FRW 1,000,000 (cash) to be used in the production of banana wine branded “Akayuki” and pays machinery insurance of FRW 100,000 (cash).

**Which of the following shows the correct double entry for this transaction?**

- A Debit machinery FRW 1,100,000, credit cash FRW 1,100,000
- B Debit cash FRW 1,100,000, credit machinery FRW 1,100,000
- C Debit cash FRW 1,100,000, credit machinery FRW 1,000,000, credit insurance FRW 100,000
- D Debit machinery FRW 1,000,000, debit insurance FRW 100,000, credit cash FRW 1,100,000

(2 Marks)

### QUESTION 32

RUMURI Ltd purchased a machine (cost FRW 10,000,000) on credit. Subsequently, FRW 2,000,000 of the debt is paid by cheque.

**Which of the following correctly records the transactions?**

- A Debit payables FRW 10,000,000, credit machine FRW 10,000,000. Debit bank FRW 2,000,000, credit payables FRW 2,000,000
- B Debit payables FRW 10,000,000, credit machine FRW 10,000,000. Debit payables FRW 2,000,000, credit bank FRW 2,000,000
- C Debit machine FRW 10,000,000, credit payables FRW 10,000,000. Debit bank FRW 2,000,000, credit payables FRW 2,000,000
- D Debit machine FRW 10,000,000, credit payables FRW 10,000,000. Debit payables FRW 2,000,000, credit bank FRW 2,000,000

(2 Marks)

### QUESTION 33

The creation of a suspense account is the only circumstance in which a single entry is made deliberately. The suspense account in the books of OMNI Ltd shows a credit balance of FRW 2,600,000.

**What could be the probable cause of this ledger balance?**

- A Omitting a sale of FRW 2,600,000 from the receivables ledger
- B Recording a purchase of FRW 2,600,000 twice in the purchases account
- C Failing to write off an irrecoverable debt of FRW 2,600,000
- D Recording an electricity bill paid of FRW 2,600,000 by debiting the bank account and crediting the electricity account

(2 Marks)

### QUESTION 34

UMWALI works at AMASEZERANO MOTEL as an accountant. At the end of the month Motel's payables ledger balances total FRW 3,105,000. This total does not agree with the closing balance on his trade payables control account.

The following errors were found:

- i) A purchase invoice for FRW 350,000 was entered on the wrong side of a supplier's account in the payables ledger
- ii) A contra entry of FRW 169,000 was entered in the control account but not in the receivables and payables ledgers

**What should be the total of the balances on payables ledger after correcting the errors?**

- A FRW 3,455,000
- B FRW 3,805,000
- C FRW 3,974,000
- D FRW 3,636,000

(2 Marks)

### QUESTION 35

**Fill in the appropriate answer to complete a particular definition.**

The..... lists all invoices raised by a business when it supplies goods and services on credit.

- A Invoice
- B Sales ledger
- C Purchases daybook
- D Sales daybook

(2 Marks)

### QUESTION 36

A suspense account is an account showing a balance equal to the difference in a trial balance. It is a temporary account which can be opened for a number of reasons.

**Which of the following is not a reason for opening a suspense account?**

- i) The bookkeeper of a business knows where to post the credit side of a transaction, but does not know where to post the debit (or vice versa)



- ii) A trial balance is drawn up which does not balance (total debits do not equal total credits).
- iii) Posting bank charges not appearing in cashbook
- iv) Correcting a misposting errors made to a wrong debtor

A (i) and (ii)

B (ii) and (iii)

C (iii) and (iv)

D (ii) and (iv)

(2 Marks)

### QUESTION 37

Rwigema sold items worth FRW 7 million to Izabayo. The terms of payment were 50% on cash and the balance on a credit period of 60 days, which Izabayo agreed to. **How should Izabayo recognize this sale in her books?**

A Dr. Sales FRW 7 million, Cr. Receivables FRW 3.5 million, Cr. Cash FRW 3.5 million

B Dr. Purchases FRW 7 million, Cr. Payables FRW 3.5 million, Cr. Cash FRW 3.5 million

C Dr. Receivables FRW 3.5 million, Dr. Cash FRW 3.5 million, Cr. Sales FRW 7 million

D Dr. Purchases FRW 7 million, Cr. Cash FRW 7 million.

(2 Marks)

### QUESTION 38

A sole trader earned a profit of FRW 37,000 during the year. During the same period, the owner introduced new capital of FRW 44,000 and decided to pay his wife a monthly salary of FRW 1,000 from the business. If his capital at the end of the year is FRW 120,000, **what was his capital at the beginning of the year?**

A FRW 51,000

B FRW 189,000

C FRW 40,000

D FRW 200,000

(2 Marks)

### QUESTION 39

**Which of the following is a correct journal for recording employees' gross salaries?**

A Dr. Wages expense Cr. Wages control

B Dr. Wages control Cr. Bank

C Dr. Wages control Cr. Income tax

D Dr. Wages control Cr. Pension

(2 Marks)

### QUESTION 40

**Which of the following double entries in the books of MUCYO Shop reflects a decrease in trade receivables?**

- A Dr Trade Receivables Cr Irrecoverable debts
- B Dr Trade Payables Cr Irrecoverable debts
- C Dr Irrecoverable Debts Cr Trade receivables
- D Dr Irrecoverable Debts Cr Trade payables

(2 Marks)

### QUESTION 41

**Which one of the following is added to gross wages when calculating the total payroll cost?**

- A Income tax
- B Employer's social security contribution
- C Employees' social security contribution
- D Employees' contribution to the pension scheme

(2 Marks)

### QUESTION 42

Christophe FOTO, the finance manager of Ndimu Garage Ltd uses different means of payment to settle suppliers' obligations.

**Which of the following is an example of a payment which is most appropriate for settlement using direct debit?**

- A Paying a regular sum to a supplier
- B Making a small purchase from a local supplier
- C Making irregular payments to overseas suppliers
- D Paying a regular but variable sum to a supplier

(2 Marks)

### QUESTION 43

MUNYABITABO works at the office of Auditor general as a senior auditor, he pays his mortgage by instructing his bank to make monthly payments of a fixed amount from his current account. When the mortgage rate changes he issues revised instructions to the bank.

**Which method of payment is MUNYABITABO using?**

- A Cash
- B Direct Debit
- C Standing Order
- D Cheque

(2 Marks)



### QUESTION 44

NYIRAMADIYAMA, an accountant of COSMOS (R) LTD recognizes the importance of having a formal documents retention policy for an organization however, she confuses different types of documents that may be stored.

**If goods are to be paid for in advance, the seller may issue which document?**

- A A debit note
- B A statement
- C An invoice
- D A goods received note

(2 Marks)

### QUESTION 45

**Which of the following items will not appear on a petty cash voucher?**

- A Purpose of the expenditure and details
- B Name and signature of petty cashier
- C Name and signature of recipient
- D Name and signature of person authorising payment

(2 Marks)

### QUESTION 46

**How is a sales day book total posted into the ledger accounts?**

- A Debit Receivables account, Cr. Sales account
- B Debit Cash account, Cr. Sales account
- C Debit Sales account, Cr. Cash account
- D Debit Sales account, Cr. Receivables account

(2 Marks)

### QUESTION 47

The following information is available about a business.

Opening payables      FRW 97,400  
Closing payables      FRW 105,000  
Payments for purchases in the period      FRW 85,000  
Of the payments FRW 22,900 are cash purchases.

**What are the purchases made on credit for the period?**

- A FRW 115,500
- B FRW 69,700
- C FRW 105,000
- D FRW 92,600

(2 Marks)

### QUESTION 48

**Which of the following represents the correct imprest amount in an imprest petty cash system?**

- A Notes and coins in the cash box – balance per bank account
- B Notes and coins in the cash box + balance per bank account
- C Notes and coins in the cash box – vouchers for payments
- D Notes and coins in the cash box + vouchers for payment

(2 Marks)

### QUESTION 49

**The person who signs a cheque is referred to as?**

- A The drawer
- B The payee
- C The payer
- D The drawee

(2 Marks)

### QUESTION 50

At Gorilla Transport Ltd, On the first day of every month cash is drawn from the bank to restore the petty cash imprest level to FRW 7,500. The opening balance on 1 November was FRW 2,200; on that date FRW 5,300 was drawn from the bank and expenditure during the month was FRW 1,600.

**How much should be drawn from the bank to restore the imprest level on 1 December?**

- A FRW 7,500
- B FRW 5,300
- C FRW 3,700
- D FRW1,600

(2 Marks)

**End of the question paper**