



CERTIFIED ACCOUNTING TECHNICIAN (CAT)

STAGE 2 EXAMINATION

S2.1 PREPARATION OF BASIC ACCOUNTS

DATE: WEDNESDAY, 28 MAY 2025

MARKING GUIDE AND MODEL ANSWERS

SECTION A

Marking guide

Qn	Correct Choice	Marks	Qn	Correct Choice	Marks
1	A	2	26	A	2
2	B	2	27	A	2
3	B	2	28	C	2
4	A	2	29	A	2
5	C	2	30	B	2
6	D	2	31	A	2
7	C	2	32	C	2
8	C	2	33	B	2
9	D	2	34	B	2
10	A	2	35	D	2
11	A	2	36	C	2
12	C	2	37	C	2
13	A	2	38	A	2
14	D	2	39	D	2
15	C	2	40	B	2
16	D	2	41	D	2
17	A	2	42	B	2
18	C	2	43	C	2
19	A	2	44	A	2
20	B	2	45	D	2
21	A	2	46	D	2
22	B	2	47	C	2
23	A	2	48	D	2
24	A	2	49	A	2
25	C	2	50	D	2
For each Correct choice awards					2 Marks
Total marks awarded					100

Model Answers

QUESTION ONE

The Correct answer is A

B is not correct because **Accrual** is to ensure that revenues and costs should be matched in the same time period, this principle suggests that when there are uncertainties or alternative accountings methods, accountant should choose methods that are more conservative and result in lower profits and lower asset values. This helps prevent the overstatement of financial performance and asset values, promoting a more cautious and reliable representation of a company's financial position.

C is not correct because **Going Concern** is to ensure that the business is expected to stay 'in business' for the foreseeable future.

D is not correct because **Consistency** is to ensure that like items should be treated in a like way

QUESTION TWO

The correct answer is B characteristics that make them more meaningful are Relevance and Faithful representation others are characteristics that enhance the usefulness of financial information

QUESTION THREE

The correct answer is B:as financial reports of the entity must be complete, neutral and free from material errors.

A is not correct because statement lacks neutral and free from errors

C and **D** are not correct because those are accounting principles of **Going concern** and **Consistency**.

QUESTION FOUR

The correct answer is A, Assets= liabilities + Owner's Equity(capital)

B is not correct because assets omit non-current assets

C is not correct because expenses should be added to capital in accounting equation

D is not correct because aggregate of income is not added to liability to form accounting equation, should be capital instead of income.

QUESTION FIVE

The correct answer is C

A is not correct because it doesn't have note to accounts

B is not correct because it doesn't have statement of change in equity

D is not correct because it doesn't have statement of cashflow.

QUESTION SIX

The correct answer is D because every transaction should have two effects on the financial accounts.

A is not correct because every transaction doesn't not increase the accounts

B is not correct because every transaction doesn't not decrease the accounts

C is not correct because this will crease imbalance in the accounts.

QUESTION SEVEN

The correct answer is C

as it is short term expenses within one year, this is a revenue expenditure not Capital expenditure.

A and B is not correct because money was used to purchase the assets which will be used for long term. Those are capital expenditure

D is not correct because it is including C which is correct

QUESTION EIGHT

The correct answer is C as shown below

Description	Amount/%
Net book value	2,375,000,000
Remaining % (100%-5%)	95%
Cost (NBV/ (100%-5%))	2,500,000,000
Depreciation rate	5%
Depreciation Amount	125,000,000

A is not correct because Calculated depreciation based on Net book value at the end of the first year and considered That net book value as the cost.

B is not correct because depreciation was computed on the wrong amount (NBV) with the wrong method (Reducing method) and the cost was computed as NBV of the second year.

Description	Amount
NBV at first year	2,375,000,000

Depreciation (FRW 2,375,000,000*0.05%)	118,750,000
Depreciable amount	2,256,250,000

D is not correct because depreciation was computed on wrong amount (NBV) with the wrong method (Reducing method) and cost was computed correctly but using the wrong depreciation.

Description	Amount
NBV at first year	2,375,000,000
Depreciation (FRW 2,375,000,000*0.05%)	118,750,000
Depreciable amount	2,493,750,000

QUESTION NINE

The correct answer is D computed as

Description	Amount/Period
Fuel Invoice	18,000,000
Total Invoice Period	12 Months
Fuel per Month (FRW 18,000,000/12)	1,500,000
Months up to December 2022	9
Fuel Expenses for 2022 (9*1,500,000)	13,500,000

A is not correct because it is not apportioned to the consumption months.

B is not correct because it is consumption per month instead of 9 months (FRW 18,000,000/12)

C is not correct because it is consumption of the next financial period up to March 2023 (FRW 18,000,000*3/12)

QUESTION 10

The correct answer is A

Description	Amount/Period
Insurance cost per vehicle	1,200,000
Number of vehicles	5
Total Insurance cost	6,000,000
Insurance Expense per month	500,000
Period covered in 2022(from 1 July up to 31 December 2022)	6
Period covered in 2023(from 1 January 2023 up to 30 June 2023)	6
Insurance Expenses for 2023 (6,000,000 / 12) * 6 month of (January to June)	3,000,000

B is not correct because it is not apportioned to the consumption months.

C is not correct because it is annual insurance per vehicle not for 6 months

D is not correct because it doesn't not take into consideration of number of vehicles.(FRW 1,200,000*6/12)

QUESTION 11

The correct answer is A

Description	Amount
2021 Trade Receivable	400,000,000
Credit Sales	550,000,000
Less: Payment from customer	-200,000,000
2022 Trade Receivable	750,000,000
Less: Bad Debt (5% * 400,000,000) on previous receivable.	-20,000,000
Net of Bad debt	730,000,000
Allowance for doubtful 2022(10% * 730,000,000)	73,000,000
Less: Allowance for doubtful 2021	-52,000,000
Increase in Allowance	21,000,000

B is not correct because bad debt is computed on end 2022 balance instead of 2021 and allowance is balance sheet amount instead of P/L amount (change in allowance).(750,000,000*0.05)

C is not correct because allowance is for previous year balance sheet amount

D is not correct because allowance is summation of two-year allowances using balance sheet amount.

QUESTION 12

The Correct answer is C

Description	Amount
Closing Trade Receivable for year ended 2019	800,000,000
Add: Payment from Customer in 2019	450,000,000
Less: Opening Trade Receivable for year ended 2018	-500,000,000
Credit Sales	750,000,000

A is not correct because it is summation of payment from customer and trade receivable of 2019 only. (450,000,000 + 800,000,000)

B is not correct because it is summation of all balances (Opening and closing) with payment from customer. (450,000,000 + 800,000,000+500,000,000)

D is not correct because opening balances of trade receivable for 2019 was added instead of subtracted.

Description	Amount
Closing Trade Receivable for year ended 2019	800,000,000
Add: Payment from Customer in 2019	450,000,000
Less: Opening Trade Receivable for year ended 2018	500,000,000
Credit Sales	1,750,000,000

QUESTION 13

The Correct answer is A as revenue account need to be zeroized to statement of profit or loss.

Sales account			
Dr			Cr
P/L	60,000,000	Cash sales	15,000,000
		Credit sales	45,000,000
	60,000,000		60,000,000

B is not correct because it omits cash sales of FRW 15,000,000.

C is not correct because it omits credit sales of FRW 45,000,000

D is not correct because this entry will increase revenue instead of zeroizing it

The correct answer is D computed as follow

Date	Amount	2017 Expenses	Amount
31st May 2017	5,000,000	Yes	5,000,000
31st Oct 2017	5,500,000	Yes	5,500,000
31st March 2018	6,000,000	Partially (6,000,000*2/5)	2,400,000
Total			12,900,000

Two months from November to December 2017

A is not correct because it includes rental expenses of January, February and March 2018 of FRW 3,600,000 (FRW 6,000,000*3/5)

B is not correct because it omits rental expenses for last two months of FRW 2,400,000 (6,000,000*2/5)

C is not correct because it included wrong portioned of the last invoice of FW 3,600,000 instead of FRW 2,400,000

QUESTION 15

The correct answer is C

Description	Amount/Number
Cost per staff	30,000
Number of staff	150
Total welfare cost (30,000*150)	4,500,000
Expenses for year 2021 (4,500,000*5/12 of August to December)	1,875,000
Expenses for year 2022 (4,500,00 * 7/12 of January to July)	2,625,000

A is not correct because it is total cost paid per staff without apportioning period or staff number

B is not correct because it omits time apportionment.

D is not correct because it is 2021 welfare expenses instead of being 2022 welfare expenses

(2 Marks)

QUESTION 16

The correct answer is D computed as follow

Description	Amount/Months
Insurance paid	15,000,000
Period covered	12
Period Corresponding to their financial period	7
Prepaid Period	5
Prepayment amount	6,250,000

Accrued expenses: are expenses which relate to (ie have been incurred during) an accounting period but have not yet been paid. They are a charge against the profit for the period and they are shown in the statement of financial position as at the end of the period as a current liability

Prepayments are expenses which have already been paid but relate to a future accounting period. They are not charged against the profit of the current period, and they are shown in the statement of financial position at the end of the period as a current asset

A and B is not correct because amount has already paid therefore no accrual exist

C is not correct because the FRW 8,750,000 correspond to the lapsed period so this will be charged to Profit or loss. (15,000,000*7/12)

(2 Marks)

QUESTION 17

The Correct answer is A

B is not correct because trade receivable and allowance are netted of only in balance sheet not in trial balances.

C is not correct because allowance for doubtful debt should never have debit side as it is always liability.

D is not correct because allowance reduce receivable not receivable reduce allowance

(2 Marks)

QUESTION 18

The correct answer C as it is error of complete reversal

complete reversal: refer to a mistake in accounting entries where the debits and credits are incorrectly switched, leading to a complete reversal of the intended transaction.

This error would be need to be corrected by reversing the incorrect entry and making the appropriate entry to reflect the actual transaction.

A is not correct because it omits the second step of recording correctly the transaction, it includes only reversing transaction.

B is not correct because it is repeating the same error instead of correct it

D is not correct because it can not be none yet correct answer is C

QUESTION 19

The correct answer is A as partnership is the relationship which exists between persons carrying on a business in common with a view of profit.

B is not correct because its Sole proprietorship

C is not correct because it is limited Company

D is not correct because its Joint arrangement

QUESTION 20

The correct answer is B computed as follow

Description	Amount	%
Amani (60,000,000/150,000,000)	60,000,000	40%
Amini (90,000,000/150,000,000)	90,000,000	60%
Total	150,000,000	100%

A is not correct because it reversed capital for partners

C is not correct because it includes drawing in the computation and again reversed the capital pf partners.

D is not correct because the answer available in the question.

QUESTION 21

The correct answer is A because drawings affect partners current accounts

Drawings are amounts extracted from a business by its owners for their own benefit

B is not correct because drawing does not affect capital of the partners instead it affects partners' current account.

C is not correct because drawing does not affect profit of the partnership instead it affects partner's current account.

D is not correct because the entry should be made to record the amount taken by partners as drawing by reducing partners' current account.

QUESTION 22

The correct answer is B

A is not correct because partners salary is not normal expenses there should not be part of staff cost.

C is not correct because Partners salary affect partners current accounts not capital accounts

D is not correct because partners salary should be recorded in the partners current accounts.

QUESTION 23

The correct answer is A

Description	Amount
Reported profit	40,000,000
Add: Interest on Drawing (FRW 10,000,000+FRW 20,000,000) *10%	3,000,000
Less: Interest on Capital (FRW 60,000,000+FRW 90,000,000) *5%	-7,500,000
Less: Partners Salary (FRW 1,500,000+FRW 1,100,000)	-2,600,000
Distributable Profit	32,900,000

B is not correct because it omits interest on capital in the computation.

Description	Amount
Reported profit	40,000,000
Less: Interest on Capital (FRW 60,000,000+FRW 90,000,000) *5%	-7,500,000
Less: Partners Salary (FRW 1,500,000+FRW 1,100,000)	-2,600,000
Distributable Profit	40,400,000

C is not correct because it omits interest on drawing in the computation

D is not correct because it omits partners salary in the computation.

QUESTION 24

The correct answer is A

Description	Amani	Amini
Opening Balance	-	-
Less Drawing	-10,000,000	-20,000,000
Less Interest on Drawing	-1,000,000	-2,000,000
Add Partners Salary	1,500,000	1,100,000
Add Interest on Capital	3,000,000	4,500,000
Add Share on profit	13,160,000	19,740,000
Closing Balance	6,660,000	3,340,000

B is not correct because it inverses the information of partner

C is not correct because this is partners' capital account not current accounts

D is not correct because it doesn't consider drawing in the computation

Description	Amani	Amini
Opening Balance	-	-
Less Interest on Drawing	-1,000,000	-2,000,000
Add Partners Salary	1,500,000	1,100,000
Add Interest on Capital	3,000,000	4,500,000
Add Share on profit	13,160,000	19,740,000
Closing Balance	16,660,000	23,340,000

QUESTION 25

The correct answer is C because partners' capital does not be affected by short term information
Capital accounts are permanent accounts that represent the long-term financial interest of each partner in the business, their reflect the initial investment and subsequent contribution or withdrawals of the partner.

Track of day-to-day financial activities are recorded in Current account; this is used to track the short-term financial interactions between partners and the business.

A, B and C are not correct because they are partners' current account information not capital account (Refer to Q24 answers)

QUESTION 26

The correct answer is A

Description (opening capital)	Amount
Fixtures and fittings at book value	50,000,000
Motor vehicles at book value	25,000,000
Trade receivables	150,000,000
Inventory	60,000,000
Prepayment Insurance	30,000,000
Cash at bank	65,000,000
Total Assets	380,000,000
Trade payables	105,000,000
Accrued rent	15,000,000
Total Liability	120,000,000
Capital	260,000,000

Opening capital 2019 = Closing capital 2017 + additional capital (if any) + Net profit – Drawing (if any)

For that question no drawing occurred, no additional was introduced, and no information about net profit for 2017

That means that Opening capital 2018 = Closing capital 2017

B is not correct because it is total assets not capital

C is not correct because this is closing capital using 2018 information

D is not correct because it is the summation of assets and liability, not capital

Description (opening capital)	Amount
Fixtures and fittings at book value	50,000,000
Motor vehicles at book value	25,000,000
Trade receivables	150,000,000
Inventory	60,000,000
Prepayment Insurance	30,000,000
Cash at bank	65,000,000
Total Assets	380,000,000
Trade payables	105,000,000
Accrued rent	15,000,000
Total Liability	120,000,000
Capital	500,000,000

QUESTION 27

The correct answer is A

Description	“FRW” Amount
Closing Trade Receivable of 2018	175,000,000
Add: Payment from customer	50,000,000
Less: Opening trade receivable (Closing receivables of 2017)	-150,000,000
Credit Sales	75,000,000

Description	“FRW” Amount
Closing Trade Payable of 2018	120,000,000
Add: Supplier payment	40,000,000
Less: Opening trade Payable (closing payables of 2017)	-105,000,000
Credit Purchase	55,000,000

B is not correct because credit purchase omits supplier payment

Description	“FRW” Amount
Closing Trade Payable of 2018	120,000,000
Less: Opening trade Payable (closing payables of 2017)	-105,000,000
Credit Purchase	15,000,000

C is not correct because credit sales omit customer payment

D is not correct because credit sales omit customer payment and credit purchase omits supplier payment

QUESTION 28

The correct answer is C

Description	Amount
Reported Profit	150,000,000
Add: Overstatement of Opening inventory	7,000,000
Less: Overstatement of Closing inventory	30,000,000
Adjusted Profit	127,000,000

Correct Profit Before tax = Reported profit – overstatement in opening stock + overstatement in closing stock

Correct profit before tax= FRW 150,000,000 -FRW 7,000 + 30,000,000 = FRW 173,000,000

A is not correct because Closing inventory was added as well instead of being subtracted, same error as before.

B is not correct because Opening inventory was subtracted instead of added to profit, same error as before.

D is not correct because All inventory was re-overstated again by the same amount, error was doubled instead of being corrected.

QUESTION 29

The correct answer is **D** because all the statements are correct.

QUESTION 30

The correct answer is **A**

Exempted goods refer to specific types of products or items that are excluded from the application of value added tax or other indirect taxes. Minerals are exempted taxes in Rwanda

B, C and **D** are not correct because mineral water sold domestically are zero rate supplies in Rwanda.

QUESTION 31

The correct answer is **A**

Irrecoverable input VAT: refers to the portion of input that a business is unable to reclaim or credit. In many jurisdictions, VAT on certain expenses, like passenger vehicles and their maintenance, may be excluded from the recoverable input VAT. This is because these expenses are often considered non-business or non-deductible for VAT Purposes,

B is not correct because this is exempted goods in Rwanda

C is not correct because this is zero-rated in Rwanda

D is not correct because **A** is correct

QUESTION 32

The correct answer is **A**

Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Purchase	300,000,000	250,000,000	420,000,000	260,000,000
Exempted Purchase	20%	15%	25%	10%
Exempted Purchase	-	-	-	-
	60,000,000	37,500,000	105,000,000	26,000,000
Standard Purchase	240,000,000	212,500,000	315,000,000	234,000,000
Input VAT (standard Purchase * 18/118)	36,610,169	32,415,254	48,050,847	35,694,915
Total Sales	400,000,000	500,000,000	300,000,000	650,000,000
Zero rated sales	10%	20%	15%	30%

B is not correct because it omits to exclude exempted Purchase

C is not correct because this is the input for Q2

D is not correct because this is the input for Q4

QUESTION 33

The correct answer is C

Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Purchase	300,000,000	250,000,000	420,000,000	260,000,000
Exempted Purchase	20%	15%	25%	10%
Total Sales	400,000,000	500,000,000	300,000,000	650,000,000
Zero-rated sales	10%	20%	15%	30%
Zero-rated sales	-40,000,000	-100,000,000	-45,000,000	-195,000,000
Standard Sales	360,000,000	400,000,000	255,000,000	455,000,000
Output VAT (Standard sales * 18/118)	54,915,254	61,016,949	38,898,305	69,406,780

A is not correct because this is the input for Q2

B is not correct because it omits to exclude zero rate sales

$(650,000,000 * 18/118) = \text{FRW } 99,152,542$

D is not correct because this is the input for Q1

QUESTION 34

The correct answer is B

Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Purchase	300,000,000	250,000,000	420,000,000	260,000,000
Exempted Purchase	20%	15%	25%	10%
Less: Exempted Purchase	-60,000,000	-37,500,000	-105,000,000	(26,000,000)
Standard Purchase	240,000,000	212,500,000	315,000,000	234,000,000
Input VAT	36,610,169	32,415,254	48,050,847	35,694,915
Total Sales	400,000,000	500,000,000	300,000,000	650,000,000
Zero rated sales	10%	20%	15%	30%
Zero-rated sales	-40,000,000	-100,000,000	-45,000,000	-195,000,000
Standard Sales	360,000,000	400,000,000	255,000,000	455,000,000
Output VAT	54,915,254	61,016,949	38,898,305	69,406,780
VAT Payable/Recoverable (Output VAT- Input VAT)	18,305,085	28,601,695	-9,152,542	33,711,864

A is not correct because this is the VAT payable for Q4
C is not correct because it omits to exclude zero rate sales and exempted purchase
D is not correct because this is the VAT payable for Q1

QUESTION 35

The correct answer is B because submission should be made within 15th day after the tax period.

A is not correct because This is the submission date for Quarter 2
C is not correct because this is the ending date of the tax period for quarter one
D is not correct because B is correct

QUESTION 36

The correct answer is D

All are conditions for input VAT recoverable.

QUESTION 37

The correct answer is C because this is zero-rate supplies not exempted

A, B, and D are all exempted supplies in Rwanda

QUESTION 38

The correct answer is C

Others include the name and phone number of RRA staff which is not part of the details to be on the tax invoice.

QUESTION 39

The correct answer is D

A and B are not correct because these fines for late declaration of VAT
C is not correct because this is the fines for incorrect issuance of a VAT invoice resulting in a decrease in the amount of VAT payable in an increase of the VAT input credit or in the event of the failure to issue a VAT invoice.

QUESTION 40

The correct answer is B

A is not correct because it doesn't consider penalties of 10% of understatement and 1.5% per month of understatement. $(40,000,000 \times 50\%)$

C is not correct because this is tax understated not penalties $(85,000,000 - 45,000,000)$

D is not correct because it doesn't consider 50% of understatement. $(40,000,000 \times 0.1) + (40,000,000 \times 1.5\% \times 3)$

QUESTION 41

The correct answer is D

A, B and C are all included in main 4 Ps of time management

Here is some possible interpretation

Planning: Create a structured plan or schedule for your day, week, or a specific timeframe

Prioritize: Determine the importance and urgency of tasks to focus on what matters most.

Productivity: Enhance your efficiency and effectiveness in completing tasks.

Prevent: Anticipate and avoid potential time-wasting activities or distraction

(2 Marks)

QUESTION 42

The correct answer is B

Error of Principle: this type of error occurs when a transaction is posted to the wrong class of account for example, an item of capital expenditure has been posted as revenue expenditure.

To correct such error, the amount in the wrong class of class has to be removed and transferred to the right class of account.

A is not correct because error of commission is when error is made within different nature of accounts. This error occurs when a transaction is posted to a wrong account but the account is of the correct class of account.

For commission error occurred you post transaction in wrong account (for example) Receivables account which is the correct class of account but on wrong like instead of Debit on Claude account, you Debit Kalisa account but both are Receivables of the company, to correct this error a transfer is made into the wrong account, the two accounts are of the same class of debtors, to correct this error

Debit Correct account to be debited XXXX

Credit account previous Debited wrongly XXXX

C is not correct because it is error happen when amount was wrong.

Error of transposition or error of original entry, transaction is posted to the corrects account but amount posted is not correct like where figure in the amount might be interchanged somehow.

D is not correct because error happen when transaction was not recorded at all.

Error of Omission, here transaction is completely omitted from the accounts and therefore the double entry is not made at all, to correct this error you have to record the transaction in the books of account.

QUESTION 43

The correct answer is **C**

According to IAS 2 inventory is valued at lower of cost and net realizable value.

Description	Amount
Selling price	82,000,000
Sales Commission (82,000,000*25%)	20,500,000
NRV (82,000,000-20,500,000)	61,500,000
Cost of inventory	65,000,000

A is not correct because this is cost before comparison with net realizable value

B is not correct because this is selling price before commission

D is not correct because this is a total of selling price and commission not lower between NRV and cost. $(82,000,000 * 25\%) + 82,000,000 = 102,000,000$

QUESTION 44

The correct answer is **A**

- (i) The bank has made charges of 15,000 on company's account: This will require an entry in the general ledger to reflect the bank charges
- (ii) A customer has paid RWF 87,000 directly into M&S trading company 's bank account: this will require an entry in the general ledger to properly record the customer's payment.
- (iii) Some cheques of FRW 10,000,000 paid to suppliers have not been presented at the bank: unpresented cheques are part of the reconciliation process and typically do not require entries in the general ledger.

B, C and D are not correct because has unpresented cheques which is items for reconciliation not requiring entry in general ledger. This cheque was issued by the firm for payment to the creditors or to other suppliers but have not been presented to the firm's bank for payment.

QUESTION 45

The correct answer is D

because this is main Ps of time management not planning tools

Forecasting: involves predicting future trends, outcomes, or events based on historical data and analysis. It is a planning tool used to anticipate and make informed decisions about the future.

Contingency planning: involves preparing for unexpected events or situations. It is a tool used to identify potential risks and develop strategies to respond effectively if those risk materialize

Benchmarking: involves comparing the performance of a business, process or product against industry standards or best practices. It is a tool used to identify areas for improvement and set performance goals.

Productivity: is a measure of how efficiency resources are utilized to produce goods services, it is not typically a planning tool.

A, B and C are not correct because they are all planning tools in business.

QUESTION 46

The correct answer is D selling goods in credit will increase receivables which is an assets

A is no correct because payment of supplier will decrease cash which is an asset

B is not correct because outstanding rent fees will increase liabilities instead of assets

C is not correct because this will increase liability by capitalizing unpaid interest

QUESTION 47

The correct answer is C

Description	Amount	VAT
Inclusive goods sold (25,000,000*18/118)	25,000,000	3,813,559.32
Exclusive goods sold (40000,000*18%)	40,000,000	7,200,000.00
Total VAT		11,013,559.32

A is no correct because it is assumed that all goods are exclusive VAT

Description	Amount	VAT
Inclusive goods sold (25,000,000*18%)	25,000,000	4,500,000
Exclusive goods sold (40000,000*18%)	40,000,000	7,200,000
Total VAT		11,700,000

B is not correct because it is assumed that all goods are inclusive

D is not correct because used wrong formula by (**value*18/82**)

QUESTION 48

The correct answer is D

A, B and **D** are not correct because they create imbalance in the financial position

QUESTION 49

The correct answer is A

B is not correct because this definition of liability

C is not correct because this definition of expenses

D are not correct because this definition of income

QUESTION 50

The correct answer is A

B, C, and **D** are all correct statements

End of Marking Guide and Model Answers