

SUVA SANGAM COLLEGE**YEAR 12****ACCOUNTING****WORKSHEET 4****Question 1 Multiple Choice**

- The following transaction is recorded in the books of Tara Mati.

Paid wages to John Trader \$150

The two ledger accounts involved in this transaction are
 - wages and cash
 - cash and drawings
 - cash and John Trader
 - wages and John Trader
- On balance day, the medical fees owed by patients of a doctor's surgery
 - appear in the balance sheet as a current asset.
 - appear in the balance sheet as a current liability.
 - appear as an expenses in the proprietorship section.
 - do not appear in the balance sheet until the following year.
- Which of the following is not a characteristic of accounting data?
 - neutrality
 - continuity
 - timeliness
 - verifiability
- Which accounting concept is best satisfied by the inclusion of balance day adjustments in the final accounts?
 - matching concept
 - monetary concept
 - realization concept
 - historical cost concept
- Verifying the accuracy of financial information is called
 - auditing
 - consulting
 - tax accounting
 - cost accounting
- Which of the following is part of the first step in the Accounting Cycle?
 - journal entries are made
 - a trial balance is prepared
 - postings are made to the ledger
 - source documents are prepared for transactions
- "Prepaid advertising" is reported as
 - an asset in the balance sheet.
 - a liability in the balance sheet.
 - an expense in the balance sheet.
 - an expense in the profit and loss statement.
- Wages Accrued is best classified as
 - as asset
 - a liability
 - a revenue
 - an expense

9. The accounting profession in Fiji is regulated by
 A. The Fiji Institute of Auditors B. The Fiji Chamber of Commerce
 C. The Fiji Institute of Accountants D. The Fiji Institute of Management
10. A dishonoured cheque is a cheque which
 A. can be presented to the bank. B. can be cashed by any person.
 C. has been cleared by the bank. D. the bank has refused to clear.

Question 2 Statement of Affairs

Samu intends to start a Construction Business which will cost him \$28 000. He has made an appointment with an Accountant to help him calculate his net worth, which he can provide to the bank seeking loan to purchase necessary equipment's for the business. He provides his most recent financial records.

The following information is relating to his financial status as at 31st October 2020.

i.	He owns a Land with a recent valuation of \$85 000, however he has a mortgage of \$15 000 due.
ii.	His bank account balance at Viti Bank is \$2 650.
iii.	His computer set valued at \$3 000.
iv.	Personal Loan balance at Viti Bank is \$1 700.
v.	Samu owns a Quad bike costing \$15 000.
vi.	Samu's rent is due for a month \$700.

Required

Prepare a Statement of Affairs for Samu as at 31st October, 2020 to assist him with his loan application.