



accountests

# GRADUATE / TRAINEE

**Example Questions**

[www.accountests.com](http://www.accountests.com)



Graduate / Trainee Test

Example Question

1

## Example Question

1

Your company expects to pay management bonuses at the end of the year.

What would be the monthly journal to spread this cost over the year?

**A**

Dr Payables (B/S), Cr Bonus expense (P&L)

**B**

Dr Bonus expense (P&L), Cr Payables (B/S)

**C**

Dr Bonus expense (P&L), Cr Bonus accrual (B/S)

**D**

Dr Accounts payable (B/S), Cr Bonus accrual (B/S)

**E**

Dr Bonus expense (P&L), Cr Bank (Cash) (B/S)

## Answer

1

**Dr Bonus expense (P&L), Cr Bonus accrual (B/S)**

The cost has been committed to we want to expense this in the P&L. However as the payment hasn't been made and no invoice has been received an accrual is required

A

Dr Payables (B/S), Cr Bonus expense (P&L)

B

Dr Bonus expense (P&L), Cr Payables (B/S)

**C**

**Dr Bonus expense (P&L), Cr Bonus accrual (B/S)**

D

Dr Accounts payable (B/S), Cr Bonus accrual (B/S)

E

Dr Bonus expense (P&L), Cr Bank (Cash) (B/S)

Graduate / Trainee Test

Example Question

2

## Example Question

2

You sell goods for \$200 which cost you \$80.  
What is the mark up percentage on cost?

**A** 150%

**B** 60%

**C** 250%

**D** 67%

**E** 40%

## Answer

2

150%

Mark up on cost is \$120. Mark up percentage is  $120/80 = 150\%$

**A**

150%

B

60%

C

250%

D

67%

E

40%

Graduate / Trainee Test

Example Question

3



## Example Question

3

What transaction is happening from this journal entry?

Dr Interest expense / Cr Accrued expenses

**A**

Payment of interest on a bank loan

**B**

Accrue for interest payable on a note payable

**C**

Receipt of interest on a bank deposit

**D**

Accrue for interest receivable on a bank deposit

**E**

Accrue for interest receivable on overdue receivable balances

**Accrue for interest payable on a note payable**

The Dr is to interest expense which is in the P&L, the Cr is to the liability of accrued costs which is in the B/S. Therefore interest costs are being accrued.

**A**

Payment of interest on a bank loan

**B**

Accrue for interest payable on a note payable

**C**

Receipt of interest on a bank deposit

**D**

Accrue for interest receivable on a bank deposit

**E**

Accrue for interest receivable on overdue receivable balances

Graduate / Trainee Test

Example Question

4

## Example Question

4

You are preparing a budget for a vehicle rental business for the next financial year.

You are told the vehicle damage repair costs are "variable costs".

How would you budget them?

**A**

Repair costs should be based on last years costs with an inflation increment

**B**

Repair costs should be a fixed amount each month

**C**

Repair costs should be based on last years costs

**D**

Repair costs should be in proportion to vehicle rental revenue

**E**

A budget is not required as costs will be recovered from vehicle renters

**Repair costs should be in proportion to vehicle rental revenue**

The term "variable costs" means that costs are always proportionate to applicable revenue.

A

Repair costs should be based on last years costs with an inflation increment

B

Repair costs should be a fixed amount each month

C

Repair costs should be based on last years costs

**D**

Repair costs should be in proportion to vehicle rental revenue

E

A budget is not required as costs will be recovered from vehicle renters

Thanks for your interest in the  
**Graduate / Trainee Test**  
Example Questions

Return to the website to purchase a test [here](#)

Still not sure? Check out the [Which Test Table](#)