# accountests PART/NON-QUALIFIED CORPORATE ACCOUNTANT

**Example Questions** 

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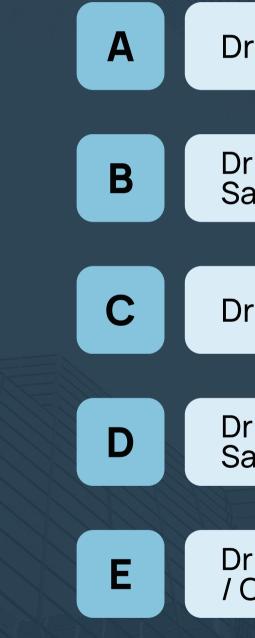


Your company has delivered goods to a customer on the 10th of the month.

Payments is due is 7 days.

The customer always pays on time.

What is the journal entry?



1

Dr Bank (Cash) / Cr Sales

Dr Bank (Cash) / Cr Sales and Dr Cost of Sales / Cr Inventory

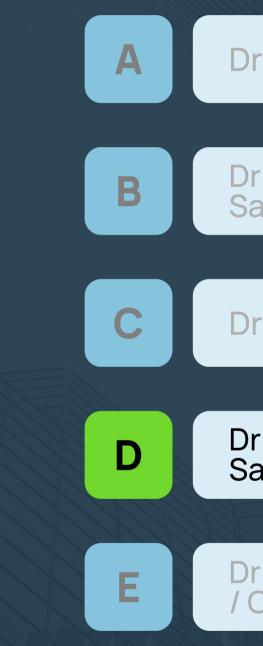
Dr Receivables / Cr Sales

Dr Receivables / Cr Sales and Dr Cost of Sales / Cr Inventory

Dr Inventory / Cr Sales and Dr Cost of Sales / Cr Receivables

Dr Receivables / Cr Sales and Dr Cost of Sales / Cr Inventory

Sale recorded to receivables (Dr Receivables / Cr Sales). Inventory reduced by the product delivered (Dr Cost of Sales / Cr Inventory).



1

## Dr Bank (Cash) / Cr Sales

Dr Bank (Cash) / Cr Sales and Dr Cost of Sales / Cr Inventory

Dr Receivables / Cr Sales

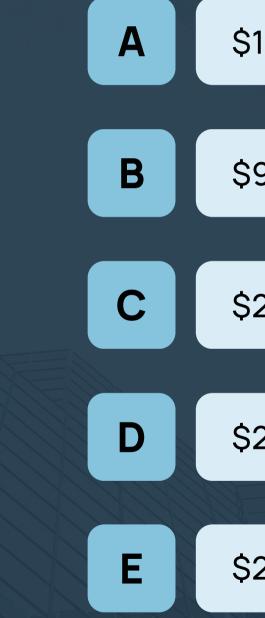
Dr Receivables / Cr Sales and Dr Cost of Sales / Cr Inventory

Dr Inventory / Cr Sales and Dr Cost of Sales / Cr Receivables

2

An asset has a cost of \$100,000, and an estimated useful life of 5 years.

What is first year depreciation amount using a Straight Line method?



\$18,000 \$9,000 \$20,000 \$22,500

\$22,950

2

# \$18,000

Depreciable base is \$90,000 (\$100,000 - \$10,000).

First year depreciation \$90,000/5 = \$18,000



# \$18,000

# \$9,000

# \$20,000

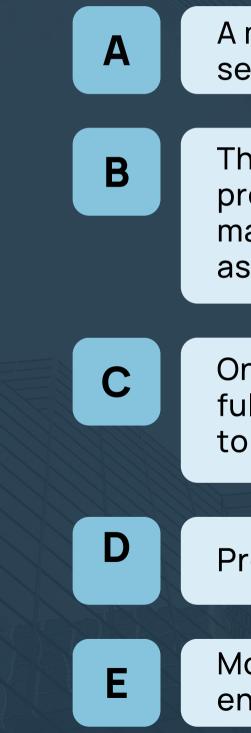
# \$22,500

# \$22,950

3

You have completed the monthly financials and the gross margin value looks low.

Which of these options would NOT be a possible cause?



A marketing initiative means you are selling a high volume product below cost

There is high demand for a particular product due to a popular TV series. The margin on these products is the same as the target margin

One customer returned a large order for full credit as they could no longer afford to pay for the goods

Product recall required on one product

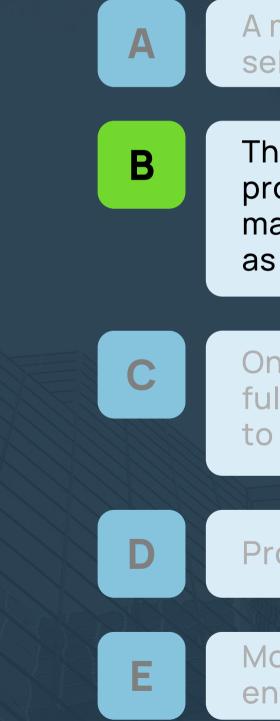
Month end inventory count missed an entire section of inventory

3

There is high demand for a particular product due to a popular TV series. The margin on these products is the same as the target margin

This answer indicates higher than expected sales, with each sale producing a normal gross margin.

This won't explain a gross margin fall.



A marketing initiative means you are selling a high volume product below cost

There is high demand for a particular product due to a popular TV series. The margin on these products is the same as the target margin

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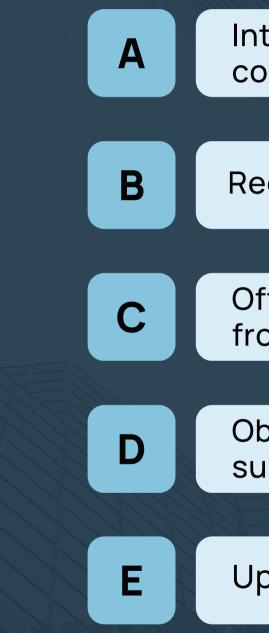
Product recall required on one product

Month end inventory count missed an entire section of inventory

You have completed a cashflow forecast for your business, which shows it will likely

exceed its banking facility limits.

Which of the options will NOT help?



4

Introducing automation to credit collection process

Reducing inventory holding requirements

Offering discounts for early payment from customers

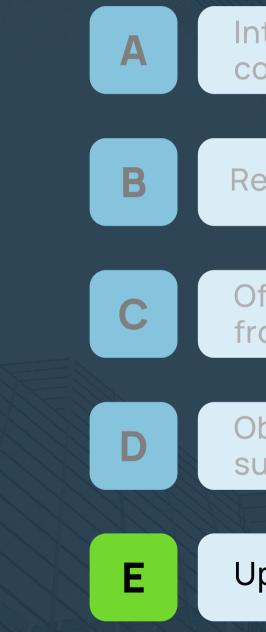
Obtain extended credit terms from suppliers

Updating inventory valuation policy



## Updating inventory valuation policy

Changing inventory valuation basis will have an effect on profitability but no effect on cash invested in inventory



Introducing automation to credit collection process

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Thanks for your interest in the Part/Non-Qualified Corporate Accountant Test

Example Questions

Return to the website to purchase a test <u>here</u>

Still not sure? Check out the <u>Which Test Table</u>

