



accountests

CORPORATE NON-CPA LEVEL

Example Questions

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Corporate Non-CPA Level Test

Example Question

1

Example Question

1

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?

A

Dr Bank (Cash) / Cr Sales

B

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

C

Dr Receivables / Cr Sales

D

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

E

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

Answer

1

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).

A

Dr Bank (Cash) / Cr Sales

B

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

C

Dr Receivables / Cr Sales

D

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

E

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

Corporate Non-CPA Level Test

Example Question

2

Example Question

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?

A \$18,000

B \$9,000

C \$20,000

D \$22,500

E \$22,950

Answer

2

\$18,000

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

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

A

\$18,000

B

\$9,000

C

\$20,000

D

\$22,500

E

\$22,950

Corporate Non-CPA Level Test

Example Question

3

Example Question

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

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

B

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

C

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

D

Product recall required on one product

E

Month end inventory count missed an entire section of inventory

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

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

B

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

C

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

D

Product recall required on one product

E

Month end inventory count missed an entire section of inventory

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Example Question

4

Example Question

4

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?

A

Introducing automation to credit collection process

B

Reducing inventory holding requirements

C

Offering discounts for early payment from customers

D

Obtain extended credit terms from suppliers

E

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

A

Introducing automation to credit collection process

B

Reducing inventory holding requirements

C

Offering discounts for early payment from customers

D

Obtain extended credit terms from suppliers

E

Updating inventory valuation policy

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Example Questions

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