



accountests

VIRTUAL CONTROLLER

Example Questions

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Virtual Controller Test

Example Question

1

Example Question

1

Your clients 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 to record the sale?

A

Dr Cash / Cr Sales

B

Dr 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 Cash / Cr Sales

B

Dr 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

Virtual Controller 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 the second year depreciation amount using a straight line method?

A \$20,000

B \$22,950

C \$16,000

D \$22,500

E \$40,000

Answer

2

\$20,000

Depreciable base is \$100,000. Second year depreciation is $\$100,000/5 = \$20,000$

A

\$20,000

B

\$22,950

C

\$16,000

D

\$22,500

E

\$40,000

Virtual Controller Test

Example Question

3

Example Question

3

You have completed the monthly financials for a client and the gross margin amount 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 social media campaign. The margin on these products is the same as 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 stocktake missed an entire section of inventory

There is high demand for a particular product due to a popular social media campaign. The margin on these products is the same as 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 social media campaign. The margin on these products is the same as 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 stocktake missed an entire section of inventory

Virtual Controller Test

Example Question

4

Example Question

4

You have completed a cashflow forecast for your clients 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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