



Worksheet 9: Different statements

Identify the correct statements that apply to the provided context / term / situation / scenario and explain why the others are incorrect.

1 Which statements describe advantages of a computerised accounting system?

- 1 It allows for large amounts of data to be stored.
- 2 Mistakes in entering data are never made.
- 3 The system can be installed with minimum cost.
- 4 The trial balance always balances.

- A** 1 and 2
B 1 and 4
C 2 and 3
D 2 and 4

2 A book-keeper reconciles the control accounts with the sales and purchases ledgers. Which errors are identified in this way?

- 1 A figure was transposed when copied from a book of prime entry to a personal account.
- 2 An incorrect amount was entered in a book of prime entry.
- 3 A total in a book of prime entry was incorrect.
- 4 A transaction was omitted from a book of prime entry.

- A** 1, 2 and 3
B 1, 2 and 4
C 1 and 3 only
D 2 and 4 only

3 What are the advantages to a sole trader of forming a partnership?

- 1 Losses can be shared by all partners.
- 2 More capital may be available to the business.
- 3 Profits will be greater than those of a sole trader.
- 4 There may be disagreements between partners.

- A** 1 and 2
B 1 and 3
C 2 and 3
D 3 and 4



4 A company's profit from operations has increased by 10% in a year, while its gross profit has only increased by 5%. Which factors could explain this?

- 1 A decrease in distribution costs.
- 2 A decrease in finance costs.
- 3 An increase in rent received.
- 4 An increase in selling prices.

- A** 1 and 2
B 1 and 3
C 2 and 4
D 3 and 4

5 A garage owner paid the following costs:

- 1 Garage equipment repairs.
- 2 Mechanics' wages.
- 3 Rent paid for garage premises.
- 4 Spare parts used to repair vehicles.

Which of these are direct costs?

- A** 1, 2, 3 and 4
B 1, 2 and 3 only
C 1 and 3 only
D 2 and 4 only