

## **SAMPLE JOB EXAM FOR ACCOUNTANT POSITION**

This exam is made of three sections:

**Section A:** Multiple Choices

**Section B:** Short answers and practical questions

**Section C:** Essay questions

Exam Duration: 2 hours

### **QUESTIONS**

#### **SECTION A) MULTIPLE CHOICE QUESTIONS (answer 10 questions: 2 marks each)**

**1) Which financial statement shows a company's financial position at a specific point in time?**

- a) Income Statement
- b) Balance Sheet
- c) Statement of Cash Flows
- d) Statement of Changes in Equity

**2) Which of the following is a non-current asset?**

- a) Cash
- b) Accounts Receivable
- c) Inventory
- d) Property, Plant, and Equipment

**3) Which accounting concept dictates that expenses should be recorded in the same period as the revenues they help to generate?**

- a) Consistency
- b) Matching Principle
- c) Prudence
- d) Going Concern

**4) Which of the following costs is considered a fixed cost?**

- a) Direct materials
- b) Sales commissions

- c) Factory rent
- d) Direct labor

**5) A budget prepared for a single level of activity is called a:**

- a) Flexible budget
- b) Static budget
- c) Master budget
- d) Continuous budget

**6) The break-even point is the level of sales at which:**

- a) Total revenue equals total costs
- b) Total revenue exceeds total costs
- c) Total fixed costs are covered
- d) Profit is maximized

**7) Which of the following is an example of tax avoidance?**

- a) Underreporting income
- b) Deliberately inflating expenses
- c) Investing in tax-saving instruments
- d) Failing to file tax returns

**8) The tax rate that increases as the taxable amount increases is known as:**

- a) Regressive tax
- b) Flat tax
- c) Progressive tax
- d) Proportional tax

**9) Which of the following is not a type of audit opinion?**

- a) Unqualified
- b) Qualified
- c) Adverse
- d) Conditional

**10) Internal controls are primarily designed to:**

- a) Enhance the accuracy of financial reports
- b) Ensure compliance with laws and regulations
- c) Prevent fraud and errors
- d) All of the above

**11) What does GDP stand for?**

- a) Gross Domestic Product
- b) Gross Domestic Profit
- c) General Domestic Product
- d) General Domestic Profit

**12) Which of the following is a digital currency?**

- a) PayPal
- b) Bitcoin
- c) Mastercard
- d) Visa

**SECTION B: SHORT ANSWERS (Answer 5 questions/10 marks each)**

**1) Define the following terms:**

- a) Depreciation
- b) Amortization
- c) Accruals
- d) Deferred Revenue
- e) Equity

**2) Prepare a trial balance from the following information:**

Cash: \$5,000

Accounts Receivable: \$15,000

Inventory: \$10,000

Accounts Payable: \$8,000

Sales Revenue: \$30,000

Cost of Goods Sold: \$12,000

Salaries Expense: \$5,000

Rent Expense: \$2,000

Capital: \$27,000

Question 3 (10 Marks)

**3) The following transactions occurred during the year. Record the journal entries and post them to the ledger:**

- a) Purchased equipment for \$10,000 on credit.
- b) Sold goods for \$5,000 on cash, costing \$3,000.
- c) Paid \$2,000 for utilities.
- d) Received \$1,500 from a debtor.
- e) Paid \$3,000 for office supplies.

**4) Explain the difference between fixed costs, variable costs, and mixed costs. Provide examples for each.**

**5) Explain the difference between tax evasion and tax avoidance. Why is tax evasion illegal?**

**6) What are the primary objectives of an external audit?**

**7) A company named Y has a balance of \$15,000 per its bank statement and \$14,500 per its books on June 30th. The following discrepancies were identified:**

A deposit of \$1,000 was not yet credited by the bank.

Checks totaling \$600 were written but not yet cleared by the bank.

A bank service charge of \$50 was not recorded in the books.

An error in recording a check resulted in a \$200 overstatement in the books.

Prepare the bank reconciliation statement and the necessary journal entries to correct the book balance.

**8) ADM Manufacturing has the following budgeted information for the next quarter:**

Sales are expected to be 5,000 units at \$50 each.

The production budget includes 6,000 units, with a beginning inventory of 500 units and an ending inventory of 1,500 units.

Direct materials cost \$10 per unit, and 2 units of raw material are needed for each finished unit. The company wants to maintain an ending raw materials inventory equal to 25% of the next quarter's production needs.

Direct labor is \$8 per hour, and each unit requires 2 hours of labor.

Prepare the direct materials budget and the direct labor budget.

**9) John, a self-employed consultant, has the following income and expenses for the year:**

Gross income: \$80,000

Business expenses: \$20,000

Interest income: \$2,000

Charitable donations: \$1,500

Assume the tax rate on ordinary income is 25%, and charitable donations are deductible only up to 10% of the gross income. Calculate John's taxable income and tax liability.

**SECTION C: ESSAY QUESTIONS (Choose 2 questions: 15 marks each)**

- 1) Discuss the importance of internal controls in an organization. Provide examples of two types of internal controls.**
- 2) What is the impact of digital currency on traditional banking systems?**
- 3) Describe the role of budgeting in the management process. What are the different types of budgets, and how do they contribute to effective financial planning and control?**
- 4) Evaluate the advantages and limitations of using Activity-Based Costing (ABC) compared to traditional costing methods. Provide examples of situations where ABC might be particularly useful**

GOOD LUCK!