

**LCCI Level 1 Certificate in Bookkeeping – Learning outcome 1 (2-mark questions)**

**6 questions – students to be given 3 random questions from this bank of questions.**

**Question 1 (2 marks)**

A business owner deposits \$5000 into the business bank account.

Which one of the following identifies the dual effect of the above transaction?

	✓
Increase capital and increase an asset	[✓]
Decrease a liability and increase an asset	
Increase an asset and decrease an asset	
Decrease an asset and decrease capital	

**MCQ**

**Question 2 (2 marks)**

The following general ledger extract for an expense account has been provided for the month of October.

Date	Details	Amount \$	Date	Details	Amount \$
2 Oct	Bank	480	10 Oct	Bank	120
14 Oct	Cash	350			

What would be the balance brought down on the account as of 1 November?

	✓
Debit \$710	[✓]
Debit \$830	
Credit \$710	
Credit \$830	

**MCQ**

**Question 3 (2 marks)**

Which **one** of the following transactions should be completed by using a journal entry?

	✓
Writing off an irrecoverable debt	[✓]
Recording a bank receipt from a credit customer	
Recording sales returns in the general ledger	
Recording a bank payment made to a credit supplier	

**MCQ****Question 4 (2 marks)**

Miranda purchased a piece of equipment for use in her business on 1 December.

The total cost of the equipment included:

	\$
Purchase price	18000
Installation costs	1200
Maintenance charges (2 years)	400
Total cost	19600

What is the value of the equipment which should be capitalised?

	✓
\$19200	[✓]
\$18000	
\$18400	
\$19600	

**MCQ**

**Question 5 (2 marks)**

A business owner wishes to make an online payment for a one-off purchase from a supplier.

Which one of the following payment methods would be the most suitable for the business owner to use in this situation?

	✓
Debit card	[✓]
Cheque	
Direct debit	
Standing order	

MCQ

**Question 6 (2 marks)**

Which one of the following correctly identifies the accounting equation?

	✓
Assets – Liabilities = Capital (Equity)	[✓]
Capital (Equity) = Assets + Liabilities	
Liabilities = Capital (Equity) + Assets	
Assets = Liabilities – Capital (Equity)	

MCQ

**LCCI Level 1 Certificate in Bookkeeping – Learning outcome 1 (4-mark questions)**

12 questions – students to be given 9 random questions from this bank of questions.

**Question 1 (4 marks)**

You have been provided with the following list of balances as at 1 June.

	\$
Motor vehicles	18000
Trade receivables	7210
Bank loan	5000
Inventory	3490
Bank (overdrawn)	1200

What is the amount of capital invested in the business? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$22500]

INSERT VALUE

**Question 2 (4 marks – 2 marks for each correct answer shown in blue text below)**

A bookkeeper has identified two errors in the bookkeeping of a business. Identify the type of error using the drop-down options provided below.

Bookkeeping error	Type of error
Drawings made by the owner have been recorded as wages	[Error of principle]
Bank interest paid amounting to \$65 has been recorded as \$56	[Error of original entry]

Drop down options to be available in both boxes:

Error of commission  
Error of original entry  
Error of principle  
Error of omission

**DROP DOWN OPTIONS****Question 3 (4 marks)**

Lee buys materials on credit from a company to use in his work as a painter and decorator.

The opening balance on his account at the start of the month was \$280.

During the current month, Lee received invoices amounting to \$795 and credit notes amounting to \$120. He also made a payment direct from his bank to the company for \$560.

What balance would appear on the statement of account Lee receives at the end of the current month? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$395]

**INSERT VALUE****Question 4 (4 marks – 1 mark for each correct answer shown in blue text)**

Classify each of the following transactions as either capital income, revenue income, capital expenditure or revenue expenditure by using the drop-down options provided below.

Transaction	Classification
Purchase of computer equipment for use in the office	[Capital expenditure]
The receipt of a bank loan	[Capital income]
The purchase of goods for resale	[Revenue expenditure]
A bank payment for rent payable in advance for the next quarter	[Revenue expenditure]

Drop down options to be available in all boxes so the students can use each one more than once:

Capital income  
Revenue income  
Capital expenditure  
Revenue expenditure

**DROP DOWN OPTIONS**

**Question 5 (4 marks)**

Jacob uses a petty cash imprest system in his business.

At the start of the month there is a balance of \$200 in petty cash. During the month, the following amounts were paid out of petty cash:

Petty cash payments	\$
Postage	52
Cleaning	65
Travel	40

How much should Jacob withdraw from the bank to restore the petty cash balance? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$157]

INSERT VALUE

**Question 6 (4 marks – 1 mark for each correct entry shown in blue text)**

Identify the business document being described in each of the following statements using the drop-down options provided below.

Statement	Business document
A document sent by a customer to a supplier when making a payment on account.	[Remittance advice]
A document issued by a supplier to a customer to reduce the balance owed from a previous invoice.	[Credit note]
A document sent by the seller to the customer showing the transactions for a period of time, usually a month.	[Statement of account]
A document that requests a payment from a customer for goods/services provided by the seller.	[Invoice]

Drop down options to be available in all boxes so the students can use each one more than once:

Statement of account

Invoice

Remittance advice

Credit note

DROP DOWN OPTIONS

**Question 7 (4 marks – 1 mark for each correct answer shown in blue text)**

Identify the accounting concept being described in each of the following statements using the drop-down options provided below.

Statement	Concept
This concept is the underlying accounting concept.	[Going concern]
Transactions should be reflected in the financial statements for the period in which they occur.	[Accruals]
Financial statements reflect the activities of the business only and not those relating to the business owner.	[Business entity]
Once a business has adopted a policy for treating an accounting item, it will treat all similar items in the same way in the future.	[Consistency]

Drop-down options to be available in all boxes:

Accruals

Consistency

Business entity

Going concern

**DROP DOWN OPTIONS**

**Question 8 (4 marks)**

Jamie trades as a sole trader, providing gardening services to people in his local community.

Jamie's bank account had an overdrawn balance on 1 September of \$210.

On 2 September Jamie deposited \$680 into the business bank account and paid \$180 for materials for a job.

What was the balance on Jamie's bank account at the close of business on 2 September?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$290]

**INSERT VALUE**

**Question 9 (4 marks – 1 mark for each correct answer)**

Identify the dual effect of each of the following transactions by dragging the appropriate description into the table below.

Transaction	Dual effect
A business pays the amount owed to a credit supplier by bank transfer from the business bank account.	[Decrease a liability and decrease an asset]
A customer pays an invoice by bank transfer into the business bank account.	[Both decrease and increase an asset]
A business takes out a bank loan, the proceeds from which, are received into the business bank account.	[Increase a liability and increase an asset]
A business owner injects additional funds into the business by transferring personal money into the business bank account.	[Increase capital and increase an asset]

**Drag and drop options:**

Decrease a liability and decrease an asset  
Increase a liability and increase an asset  
Both decrease and increase an asset  
Decrease an asset and increase a liability  
Both decrease and increase a liability  
Increase capital and increase an asset

**DRAG AND DROP****Question 10 (4 marks – 1 mark for each correct answer shown in blue text below)**

Identify the payment method being used in each of the following scenarios by using the drop-down options provided below.

Scenario	Payment method
A customer makes an instruction to their bank to pay a fixed amount at regular intervals to a named party.	[Standing order]
A payment is made to purchase goods online which reduces the funds available in the business bank account immediately.	[Debit card]
A business makes a payment through the post to clear the balance on a credit account.	[Cheque]
A payment is made to purchase goods online however the business does not wish to use funds from the business bank account straight away.	[Credit card]

**Drop-down options to be available in all boxes:**

Credit card  
Direct debit  
Standing order  
Cash  
Cheque  
Debit card

**DROP DOWN OPTIONS**

**Question 11 (4 marks – 1 mark for each correct answer shown in blue text)**

The following account is in the payables ledger at the close of day on the 30 April.

Date	Details	Amount \$	Date	Details	Amount \$
12 April	Credit note CN18	320	1 April	Balance b/f	1970
28 April	Bank	1740	5 April	Invoice INV502	1250
			24 April	Invoice INV680	890

Complete the following sentences using the drag and drop options provided below:

The balance c/d on the account would be on the [**debit**] side of the account.

The balance c/d would be a value of \$[**2050**].

The value shown in the total boxes on the account would be \$[**4110**].

The balance b/d on the account as at 1 May would be on the [**credit**] side of the account.

Drag and drop options:

credit

debit

total

4110

2060

2050

**DROP DOWN OPTIONS**

**Question 12 (4 marks)**

You are preparing a sales invoice for a customer.

The purchase order received from the customer shows the following:

Quantity	Product code	\$
200	PC24	12.50 per unit

The customer is entitled to a trade discount of 5%.

What is the total value of the invoice to be issued to the customer in relation to this order?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$[**2375**]

**INSERT VALUE**



## LCCI Level 1 Certificate in Bookkeeping – Learning outcome 2 (2-mark questions)

4 questions – students to be given 2 random questions from this bank of questions.

### Question 1 (2 marks)

An employee receives a salary of \$25800 per annum. Each month the employee pays tax amounting to \$190 and contributes \$107.50 per month into a pension scheme.

What is the amount of net pay for the month?

	✓
\$1852.50	[✓]
\$2042.50	
\$2150.00	
\$1960.00	

MCQ

### Question 2 (2 marks)

Maggie works as a production worker in a factory. For each unit that Maggie produces she is paid \$1.80. If she produces more than 200 in a week, she is also paid a bonus of \$0.20 per unit for each unit above 200 units.

Maggie produced 260 units in a week. What is her gross pay for the period?

	✓
\$480.00	[✓]
\$468.00	
\$520.00	
\$460.00	

MCQ

### Question 3 (2 marks)

Which one of the following is a statutory payroll deduction?

	✓
Tax	[✓]
Gym membership fees	
Union membership fees	
Voluntary pension scheme	

MCQ

**Question 4 (2 marks)**

Which one of the following best describes a method of paying labour costs via time rate?

	✓
Gross pay will be based on hours worked and any hours worked in excess of basic hours will be paid overtime.	[✓]
Gross pay is based on hours worked with an extra amount added if output exceeds a pre-agreed level.	
The gross pay is based on the level of production achieved.	
The gross pay is based on the production level achieved, and any units in excess of a minimum level will be eligible for a group bonus.	

MCQ

**LCCI Level 1 Certificate in Bookkeeping – Learning outcome 2 (4-mark questions)**

4 questions – students to be given 2 random questions from this bank of questions.

**Question 1 (4 marks)**

An employee is guaranteed a basic minimum wage of 37 hours at a rate of \$11 per hour.

During the week, the employee produced 230 units and at a rate of \$2 per unit.

What is the employee's gross pay for the week? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$(460)

INSERT VALUE

**Question 2 (4 marks)**

Kay operates a business as a sole trader. She has 5 employees, and the payroll information for the latest weekly pay is as follows:

Hours worked at basic rate	150 hours
Hours worked at time and a half	18 hours
Hours worked at time and a quarter	12 hours

The hourly rate is \$12.00.

What is the wages expense for the week? Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

\$(2304)

INSERT VALUE

**Question 3 (4 marks – 1 mark for each correct answer shown in blue text)**

Identify the labour payment method used for each of the four employees using the drop-down options provided below.

Scenarios	Method
Lily is paid an annual amount of \$24000 spread evenly over 12 months.	[Salary]
Ava is paid a rate of \$15.00 per hour for each hour worked. Any hours worked in excess of her basic hours will be paid overtime.	[Time rate]
Tony is paid a rate of \$14 per hour for each hour worked. If his units produced exceed 100 per week, he is paid an extra 10%.	[Time rate plus bonus]
Carl is paid based on production levels and is paid \$1.50 per unit produced.	[Piece rate]

**Drop down options to be available in each box to select from:**

Time rate

Salary

Time rate plus bonus

Piece rate

**DROP DOWN OPTIONS****Question 4 (4 marks)**

A business pays a bonus of \$3 for every hour that is saved by the production team. The bonus is totalled and then shared equally amongst the members of the team. Each unit is expected to take 30 minutes to complete.

820 units were completed in the week by a production team of 10 people in 380 hours.

What is the total amount of production bonus payable in the week?

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

[\$90]

**INSERT VALUE****LCCI Level 1 Certificate in Bookkeeping – Learning outcome 3 (2-mark questions)**

**4 questions – students to be given 2 random questions from this bank of questions.**

**Question 1 (2 marks)**

Which one of the following identifies where the total of the sales returns daybook should be posted?

	✓
Credit side of the Receivables Ledger Control Account	[✓]
Debit side of the Sales Returns Account	
Credit side of the Sales Account	
Debit side of the Receivables Ledger Control Account	

**MCQ****Question 2 (2 marks)**

Which one of the following would be recorded on the credit side of the payables ledger control account?

	✓
Credit purchases	[✓]
Purchase returns	
Discounts received	
Bank payments made to suppliers	

**MCQ****Question 3 (2 marks)**

Which one of the following statements is true regarding the reconciliation of a receivables ledger control account?

	✓
Reconciling the receivables ledger control account will help to identify any discounts allowed omitted in error.	[✓]
Reconciling the receivables ledger control account will help to identify any customer invoices entered in the wrong account in the subsidiary ledger in error.	
Reconciling the receivables ledger control account will show if a purchase invoice has been omitted from the payables ledger.	
Reconciling the receivables ledger control account guarantees there has been no errors made in the recording of the transactions.	

**MCQ****Question 4 (2 marks – 1 mark for each correct answer shown in blue text below)**

Identify whether each of the following statements are true or false using the drop-down options provided below.

Statement	True or false
The payables ledger control account enables a business to see how much is owed to individual suppliers.	[False]
The receivables ledger control account should reconcile to the total of the list of customer balances in the receivables ledger.	[True]

Drop down options to be provided in both answer boxes:

True

False

**DROP DOWN OPTIONS**

## LCCI Level 1 Certificate in Bookkeeping – Learning outcome 3 (4-mark questions)

3 questions – students to be given 1 random question from this bank of questions.

### Question 1 (4 marks)

You have been provided with the following summary of transactions for a sole trader business for the month of January.

Details	\$
Balance of receivables as at 1 January	8740
Goods sold on credit	9680
Payments received from credit customers	5910
Discounts allowed	140
Goods returned from credit customers	390

What will be the closing balance on the receivables ledger control account at the end of January?

Enter the value of the balance only. You are not required to indicate whether this is a debit or credit balance.

Enter your answer in whole \$ only and do not use any commas (,) or full stops(.).

**\$[11980]**

**INSERT VALUE**

### Question 2 (4 marks – 1 mark for each correct answer)

You have been provided with the following list of items which may appear in a payables ledger control account.

Identify whether each item would appear on the debit side or credit side of the payables ledger control account using the drop-down options provided.

Transactions	Debit or credit
Purchase returns	[Debit]
Discounts received	[Debit]
Balance at the start of the period	[Credit]
Bank payments	[Debit]

Drop down options to be provided in each answer box:

Debit

Credit

**DROP DOWN OPTIONS**

**Question 3 (4 marks)**

You have been provided with the following summary of transactions for a sole trader business for the month of July.

Details	\$
Balance of payables as at 1 July	1320
Goods purchased on credit	1170
Bank payments made to credit suppliers	925
Goods returned to credit suppliers	138

The following extracts regarding discounts received and discounts allowed have been extracted from the records of the business. These have not yet been entered in ledger.

	\$
Discounts received	45
Discounts allowed	60

What would be the balance carried down on the payables ledger control account at the end of July? Enter the value of the balance only. You are not required to indicate whether this is a debit or credit balance.

**\$[1382]**

**INSERT VALUE**

**LCCI Level 1 Certificate in Bookkeeping – Learning outcome 4 (2-mark questions)**

**6 questions – students to be given 3 random questions from this bank of questions.**

**Question 1 (2 marks)**

Which one of the following shows the correct calculation of gross profit?

	✓
Revenue – Cost of sales	[✓]
Revenue + Cost of sales	
Revenue – Expenses	
Revenue + Expenses	

**MCQ**

**Question 2 (2 marks)**

Which one of the following is an example of a non-current asset?

	✓
Fixtures	[✓]
Inventory	

Trade payables	
Trade receivables	

MCQ

**Question 3 (2 marks)**

In which section of the Statement of Financial Position would petty cash be recorded?

	✓
Current assets	[✓]
Non-current assets	
Equity	
Current liabilities	

MCQ

**Question 4 (2 marks)**

A sole trader purchased a motor van for use in his business. The cost of the van was \$26000.

The sole trader has a policy of depreciating motor vans at a rate of 20% using the reducing (diminishing) balance basis.

What would be the carrying value at the end of the second year of this motor van?

	✓
\$16640	[✓]
\$9360	
\$10400	
\$15600	

MCQ

**Question 5 (2 marks – 1 mark for each correct answer)**

Identify whether each of the following statements is true or false using the drop-down options provided below.

Statement	True or false
A Statement of Financial Position summarises the assets, liabilities and capital at a point in time.	[True]
A trial balance is used to check the value of the debit entries in the bookkeeping system equals the credit entries.	[True]

Drop down options to be provided in both answer boxes:

True

False

DROP DOWN OPTIONS

**Question 6 (2 marks)**

You have been provided with the following list of balances for a sole trader business.

	\$
Purchases	3620
Opening inventory	1420
Closing inventory	1630
Carriage inwards	560
Carriage outwards	870
Discounts received	200

Which one of the following amounts would be identified as the cost of goods sold on the Statement of Profit or Loss?

	✓
\$3970	[✓]
\$3410	
\$2850	
\$3770	

MCQ

**LCCI Level 1 Certificate in Bookkeeping – Learning outcome 4 (4-mark questions)**

11 questions – students to be given 8 random questions from this bank of questions.

**Question 1 (4 marks)**

Pierre purchased a motor van for use in his sole trader business. The motor van cost \$18000 and is to be depreciated using the reducing balance (diminishing balance) basis at a rate of 25%.

What would be the depreciation charge for the second year of ownership of the motor van?

**\$[3375]**

INSERT VALUE

**Question 2 (4 marks)**

You have been provided with the following extract from the trial balance of a sole trader as at 31 December.

	Debit (\$)	Credit (\$)
Equipment	18500	
Bank		1240
Inventory	3290	
Trade payables		4650
Trade receivables	6380	
Fixtures and fittings	6800	
Long term loan		5000



What amount would appear as the total of the current assets in the Statement of Financial Position at the year end?

**\$[9670]**

**INSERT VALUE**

**Question 3 (4 marks – 1 mark for each correct answer shown in blue text)**

Identify whether each of the following account balances will appear as a debit or credit entry in an initial trial balance using the drop-down options provided below.

	Debit or Credit
Accrued income	[Debit]
Rental income received	[Credit]
Rent expense paid	[Debit]
Prepaid expenses	[Debit]

Drop down options to be provided in all answer boxes:

Debit

Credit

**DROP DOWN OPTIONS**

**Question 4 (4 marks)**

You have been provided with the following extract from an incomplete trial balance for a sole trader for the year ending 31 December.

	Debit \$	Credit \$
Revenue		17280
Wages and salaries	3500	
Office expenses	2050	
Computer equipment	3000	
Purchases	5520	
Opening inventory	800	
Discounts received		350
Fixtures and fittings	2000	

Closing inventory at the end of December was valued at \$1200.

What amount would appear as the net profit in the Statement of Profit or Loss for the year ending 31 December?

**\$[6960]**

**INSERT VALUE**

**Question 5 (4 marks – 1 mark for each correct answer shown in blue text)**

A business sells goods on credit to customers.

The balance on the trade receivables at the end of the year was \$32650. After reviewing the aged receivables, it is decided that a balance of \$1800 is to be written off as an irrecoverable debt.

Complete the following sentences using the options provided below.

The amount shown in the Statement of Financial Position at year end for trade receivables will be \$[30850].

The balance on the irrecoverable debts account will appear on the [debit] side of the trial balance.

The irrecoverable debt will increase the amount shown as expenses in the Statement of Profit or Loss and the result will be to [decrease] the net profit for the year. The irrecoverable debt will [not change] the amount shown for revenue in the Statement of Profit or Loss.

Drag and drop options to be provided:

[30850]

[32650]

[debit]

[credit]

[decrease]

[increase]

[not change]

**DROP DOWN OPTIONS**

**Question 6 (4 marks – 1 mark for each correct answer shown in blue text)**

Identify the term being described in each of the following statements relating to depreciation using the drop-down options provided below.

Statement	Term
A measure of the cost of the economic benefit of the non-current asset consumed during the period.	[Depreciation]
The cost of the non-current asset less the accumulated depreciation to date.	[Carrying amount]
The amount the asset is expected to be sold for when it is no longer of use to the business.	[Residual value]
The cost of an asset less any residual value	[Depreciable amount]

Drop down options to be provided in each box:

Depreciable amount

Carrying amount

Depreciation

Residual value

**DROP DOWN OPTIONS**

**Question 7 (4 marks)**

A business has a year end of December 20X1. During the year, the following rental expense invoices were paid:

Date	Period	\$
14 March	2 months to 28 February 20X1	2400
12 June	3 months to 31 May 20X1	3600
14 October	4 months to 30 September 20X1	5000
15 December	2 months to 30 November 20X1	2500

What amount should be accrued for rental expenses at the year end?

**\$[1250]**

INSERT VALUE

**Question 8 (4 marks)**

Will purchased a machine for use in his business on 1 June at a cost of \$12400. The machine has a residual value of \$2000 and an expected life of 5 years.

What is the carrying value of the machine at the end of the first year?

**\$[10320]**

INSERT VALUE

**Question 9 (4 marks)**

A business has a year end of December 20X2. During the year, the business received commission as follows.

Date	Period	\$
28 April	3 months to 31 March 20X2	780
26 July	3 months to 30 June 20X2	780
21 October	3 months to 30 September 20X2	840
15 December	2 months to 30 November 20X2	560

What amount should be accrued for commission income at the year end?

**\$[280]**

INSERT VALUE

**Question 10 (4 marks)**

The electricity account for a sole trader for the year ended 30 September 20X4 was as follows:

	\$
Opening balance for electricity accrued at 1 October 20X3	200
Payments made during the year:	
1 December for 3 months to 30 November 20X3	600
1 March 20X4 for 3 months to 28 February 20X4	800
1 June 20X4 for 3 months to 31 May 20X4	750
1 September 20X4 for 3 months to 31 August 20X4	525

What amount would appear in the Statement of Profit or Loss for the year ended 30 September 20X4 for electricity expenses?

**\$[2650]**

**INSERT VALUE**

**Question 11 (4 marks)**

Summer runs a small business as a sole trader. She has provided the following information for the year ending 31 December 20X5.

	\$
Capital as at 1 January 20X5	16500
Capital introduced during the year	5000
Drawings during the year	18000
Capital as at 31 December 20X5	34400

What was the profit for the year made by Summer's business?

**\$[30900]**

**INSERT VALUE**