



Accounting challenge x 50Q

Tertiary Institute Group Round 4

Congratulations to the following three winners who submitted the greatest number of correct answers:

(in alphabetical order)

Name	HKID No. (only 3 digits shown)	Institute Name
Leung Man Kin	Z 762xxx (x)	The Open University of Hong Kong
Yeung Yuk Man	Y 066xxx (x)	Community College of City University
Zhang Hanshui	R 494xxx (x)	The Open University of Hong Kong

* Winners will be notified individually of prize collection details.

The Round 4 questions and answers are:

1 Question : Which of the following papers form part of the AAT Examination?
I. Fundamentals of Accounting and Computerized Accounts
II. Principles of Taxation
III. Fundamentals of Business Law
IV. Principles of Auditing and Management Information Systems

Answer : (D) All of the above

2 Question : The NQF is recognized by the Civil Service Bureau for their appointments, and PBE graduates are regarded as meeting the entry requirement of being "a registered student of the Hong Kong Institute of CPAs Qualification Programme". Which of the following civil service post(s) may PBE graduates be considered for appointment to?
I. Accounting Officer II of Treasury
II. Assistant Assessor of Inland Revenue Department
III. Assistant Insurance Officer of Office of the Commissioner of Insurance
IV. Examiner of Audit Commission
V. Insolvency Officer II of Official Receiver's Office

Answer : (D) All of the above

3 Question : The matching principle is best demonstrated by:
Answer : (C) Allocating the cost of an asset to expense over the periods during which benefits are derived from ownership of the asset.



- 4 Question** : The cash at bank account of a business shows a credit balance of \$572. You discover that the only two items which cause the cash at bank account in the books of the business and the bank statement not to agree are:
- a cheque for \$25 to a supplier, which has been entered in the bank account but has not yet been presented to the bank for payment
 - a payment by a debtor to the business of \$50 which has been credited directly to the bank account but has not yet been recorded in the cash at bank account.
- Which one of the following figures is the correct balance, according to the bank statement?
- Answer** : (A) \$497 (overdrawn)
- 5 Question** : When a plant asset is acquired by issuing common stock, the cost of the plant asset is properly measured by the:
- Answer** : (D) market value of the stock
- 6 Question** : The point where the profit line intersects the left vertical axis on the profit-volume chart represents:
- Answer** : (A) the maximum possible operating loss
- 7 Question** : What is the amount of single parent allowance for the year of assessment 2009/10?
- Answer** : (B) \$108,000
- 8 Question** : Mr. Wong purchased a motor van at a cost of \$200,000 and used the motor half for his own business and half for his private use. For profits tax purpose, the maximum amount of depreciation allowance he can claim for his motor van in the first year of use is:
- Answer** : (A) \$72,000
- 9 Question** : A partnership is dissolved when:
- Answer** : (D) All of the above
(One partner gives notice to the other of his intention to dissolve; one of the partners declares bankruptcy; and the partnership is sold.)
- 10 Question** : Sino plc purchased a machine on 1 January 2009 for \$100,000. The machine has a useful life of five years with a residual value of \$30,000. It is the company policy to depreciate this type of asset at 20 percent using the reducing balance method. What is the carrying amount of the asset on 31 December 2010?
- Answer** : (C) \$64,000