

External assessment 2025

Multiple choice question book

# Accounting

## General instruction

- Work in this book will not be marked.

## Section 1

### Instruction

- Respond to these questions in the question and response book.
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### QUESTION 1

The auditor in an accounting firm is reviewing general journal entries at the start of the new financial year. Identify the correct entry to be recorded on 1 July 2025.

(A)	Wages	DR
	Accrued wages	CR

(B)	Accumulated depreciation of furniture	DR
	Depreciation of furniture	CR

(C)	Inventories	DR
	Inventory adjustment	CR

(D)	Accrued wages	DR
	Wages	CR

### QUESTION 2

A business owner purchased a television for \$3 960 (including GST) on 30 December 2023. The television was expected to have a useful life of six years and a residual value of \$300. It was to be depreciated at 20% using the diminishing balance method. The owner sold the television on 30 June 2025 for \$660 (including GST).

The loss on disposal of the television was

- (A) \$1 704
- (B) \$1 932
- (C) \$1 992
- (D) \$2 175

### QUESTION 3

A business has provided the financial data shown.

Financial data	\$
Current assets	160 000
Total assets	366 000
Inventories	23 000
Prepayments	2 600
Cash at bank	5 000
Accounts payable	85 000
Total liabilities	255 000
Accrued expenses	21 000

The business's quick ratio, rounded to two decimal places, is

- (A) 1.27:1
- (B) 1.44:1
- (C) 1.51:1
- (D) 1.58:1

### QUESTION 4

A business pays its sales staff a 10% commission on all sales. Sales for the year ended 30 June 2025 included cash sales of \$187 500 and credit sales of \$371 250. On 30 June 2025, the commission account had a balance of \$47 000.

The adjusting entry to be recorded for commission for the year ended 30 June 2025 is

(A)

Commission expense	DR	8 875	
Accrued expense	CR		8 875

(B)

Accrued revenue	DR	8 875	
Commission revenue	CR		8 875

(C)

Accrued expense	DR	8 875	
Commission expense	CR		8 875

(D)

Commission revenue	DR	8 875	
Accrued revenue	CR		8 875

### QUESTION 5

A business has provided the financial data shown.

	30 June 2023 \$	30 June 2024 \$	30 June 2025 \$
Cost of goods sold	322 000	255 000	289 000
Inventories	68 000	75 000	65 000

The rate of turnover of inventories for the 2025 financial year, rounded to two decimal places, is

- (A) 3.40 times.
- (B) 3.57 times.
- (C) 4.13 times.
- (D) 4.45 times.

## QUESTION 6

A business has provided the financial data shown.

Partial list of balances	2024 \$	2025 \$
Accounts receivable	44 000	36 000
Accounts payable	25 000	36 000
Accrued expenses	2 000	35 000
Cash at bank	35 600	(43 000)
Cash in hand	2 000	2 500
GST clearing	12 000	11 000
Inventories	32 000	22 000
Prepaid expenses	1 000	500

Calculate the net decrease in cash from 2024 to 2025.

- (A) (\$76 100)
- (B) (\$78 100)
- (C) (\$78 600)
- (D) (\$80 600)

### QUESTION 7

A sole trader business has provided the list of balances for the year ended 30 June 2025.

Account	\$
Cash in hand	23 000
Accounts payable	6 500
Accounts receivable	27 000
Inventories	18 600
Capital 1 July 2024	253 000
Bank overdraft	17 400
Delivery vehicles (net)	20 000
Mortgage (due 30/12/2027)	200 000
Net profit for year ended 30/6/2025	220 000
Loan from bank (due 30/9/2027)	30 000
Accrued expenses	2 780
Buildings (net)	340 000
GST clearing (payable)	18 500
Shares in Z Co Ltd	10 000
Unearned revenue	750

Assuming all balances are correct, the amount to be recorded for drawings for the year is

- (A) \$275 530
- (B) \$297 330
- (C) \$304 770
- (D) \$310 330

### QUESTION 8

A company has provided the financial data shown from the retained earnings account as at 30 June 2025.

Particulars	\$
Operating profit (after tax)	3 427 900
Dividends — ordinary shares	1 000 000
Dividends — preference shares	1 250 000
Reserves	500 000

Additional financial data is provided.

	2024 \$	2025 \$
Ordinary shares at \$2.50 per share	2 500 000	3 750 000
Preference shares at \$4.50 per share	2 250 000	2 250 000
Net profit (before tax)	3 765 000	4 897 000

The company's earnings per share for 2025, rounded to two decimal places, is

- (A) \$0.70
- (B) \$1.74
- (C) \$2.34
- (D) \$2.92

**QUESTION 9**

A business has provided details of the rent account for the financial years ended 30 June 2024 and 30 June 2025.

	30 June 2024 \$	30 June 2025 \$
Unearned revenue	6 050	5 100
Accrued revenue	11 800	9 800

Rent received during the year ended 30 June 2025 was \$310 000.

Using accrual accounting, the amount to be recorded for rent in the Statement of Profit or Loss for the year ended 30 June 2025 is

- (A) \$320 450
- (B) \$311 050
- (C) \$308 950
- (D) \$299 550



**QUESTION 10**

A company has provided the financial data shown.

	30 June 2024 \$	30 June 2025 \$
Sales	2 756 000	2 522 000
Current assets	1 730 100	1 919 700
Interest expense	287 500	296 250
Non-current assets	7 584 000	8 058 000
Ordinary share capital	3 000 000	3 500 000
Net operating profit	1 386 450	1 474 140
Reserves	427 000	359 000

The rate of return on total assets for the year ended 30 June 2025 is

- (A) 12.21%
- (B) 14.77%
- (C) 15.28%
- (D) 18.35%

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