

Transactional F&A: Sample questions

Accounts Payables:

Directions: Choose the correct answer.

Q1. An AP executive is checking the invoice submitted by a stationery supplier. Which document does he need to refer to check the ordered quantity?

- a) Delivery challan
- b) Purchase order
- c) Credit note
- d) Commercial invoice

Directions: Choose the correct answer.

Q2. Which of the following details is not required while adding a new vendor?

- a) Vendor name
- b) Vendor address
- c) Bank account details
- d) Registration number
- e) All products' details

Directions: Choose the correct answer.

Q3. What does the payment term "2/10 days, Net 45 days" indicate?

- a) 2% discount if payment is made within 45 days
- b) 10% discount if payment is made within 45 days
- c) 10% discount if payment is made within 2 days
- d) 2% discount if payment is made within 10 days

Directions: Choose the correct answer.

Q4. Anjali received an invoice from GH Ltd. for Rs. 1,50,000 against the purchase order number – 475. This order was closed prior to the receipt of this invoice. Now the invoice has been put on 'Hold' by the system. Which of the following types of 'Hold' would justify the given situation?

- a) PO not approved hold
- b) Final matching hold
- c) Can't close PO hold
- d) A hold is not applicable in this situation

Directions: Choose the correct answer.

Q5. Pharma Ltd. has made a payment of Rs. 24,500 on 18/04/2010 against an invoice amount of Rs.

25,000 dated 11/04/2010. What would be the payment terms set by the company with its vendor in the given case if 18/04/2010 is the last day of making the payment, considering the invoice date as the basis for calculation of payment due date?

- a) 4/10 days
- b) 2/8 days
- c) 8 days
- d) 10 days

Directions: Choose the correct answer.

Q6. ABC Ltd. permitted Ram & Co.'s bank to deduct Rs. 1000 per month and billed the invoice of the same value every month. Vishal books Ram & Co.'s account with journal entries of _____.

- a) credit bank and debit supplier, then credit expense and debit supplier
- b) debit supplier and credit bank, then debit expense and credit supplier
- c) credit expenses and debit bank, then credit supplier and debit bank
- d) debit expenses and credit bank, then debit supplier and credit bank

Accounts Receivables

Directions: Choose the correct answer.

Q1. Which of the following information may form a part of a credit report?

- a) Information on how a customer pays bills
- b) Information on how a customer repays loans
- c) Information on credit not available to a customer
- d) Both a and b
- e) All- a, b and c

Directions: Choose the correct answer.

Q2. Change in which of the following aspects indicate(s) a rise in bad debt losses?

- a) Lower of aging schedule
- b) Liberalization of credit standards
- c) Reduction in credit period
- d) Both a and c

Directions: Choose the correct answer.

Q3. Excess amount received against receivables is transferred to which of the following accounts?

- a) Cash A/c
- b) Unapplied cash A/c
- c) Receivables A/c

- d) Provision for doubtful debts A/c

Directions: Choose the correct answer.

Q4. Which of the following account(s) would be impacted by the recovery of a written-off account? (if allowance method is employed by the company)

- a) Accounts receivables
- b) Allowance for uncollectible accounts
- c) Cash
- d) Both b and c
- e) All- a, b and c

Directions: Choose the correct answer.

Q5. XYZ Ltd's past collection experience indicates the following:

Length of time	% uncollectible
1-30 days	1.0
31-60 days	2.0
61-90 days	3.0
90 + days	8.0

Following is the status of accounts receivables:

1-30 days	Rs. 25,000/-
31-60 days	Rs. 50,000/-
61-90 days	Rs. 85,000/-
90+ days	Rs. 2,00,000/-

What is the total amount of uncollectible allowance for the categories 1-30 and 61-90 days? (using allowance method with aging of receivables as the basis)

- a) Rs. 2,400
- b) Rs. 2,500
- c) Rs. 2,550
- d) Rs. 2,800

Directions: Choose the correct answer.

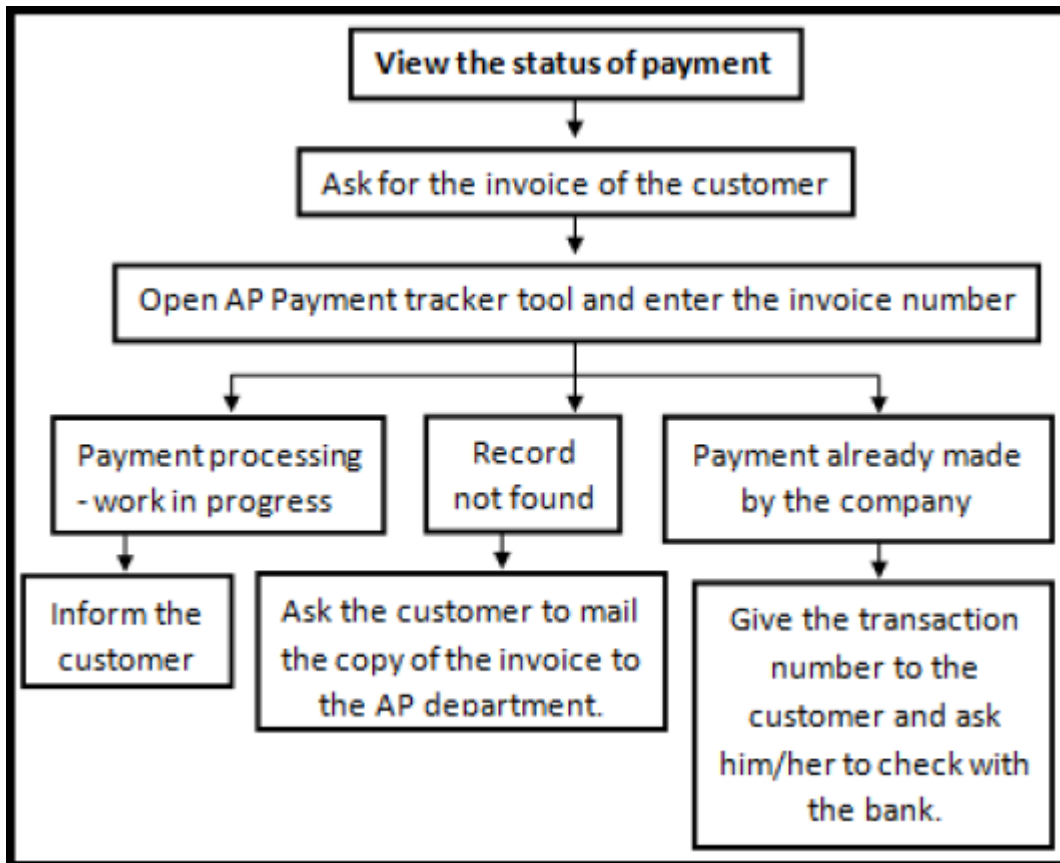
Q6. Company XYZ sells goods worth Rs. 10,000 to a customer. Customer returns goods worth Rs. 2,000 back to XYZ because they were damaged. What will be the correct journal entry in the books of XYZ for the goods returned?

- a) Sales Debit Rs. 2,000 Accounts Receivable Credit Rs. 2,000
- b) Sales Returns Debit Rs. 2,000 Accounts Receivable Credit Rs. 2,000
- c) Sales Returns Debit Rs. 2,000 Cash Credit Rs. 2,000
- d) Goods Debit Rs. 2,000 Cash Credit Rs. 2,000
- e) Goods Debit Rs. 2,000 Accounts Receivable Credit Rs. 2,000

AP-AR Helpdesk:

Directions: Choose the correct answer.

Q1. You work at the AP helpdesk in HBB Inc. Refer to the given flowchart to answer customer queries.



Case: A vendor calls up the helpdesk and says, "I had supplied the raw material to your organization in accordance to the purchase order. I delivered the consignment on time. The material was approved by your team and then I sent you the invoice. It has been a long time since I sent it and I have sent many reminders too. I have not received my payment yet!" What will you say in such a case?

- Sir, I think you should contact the concerned bank official. If you had sent the invoice long time back, we would have made payment by now. We have a "Pay On Time" policy.
- Sir, please let me know the date of delivery of goods so that I can verify the details with the concerned department.
- Sir, I would have to place your call on hold. I will forward your call to my manager so that the issue is resolved at the earliest.
- Sir, please let me know your invoice number so that I can fetch the details from our payment tracker.

Directions: Choose the correct answer.

Q2. An organization adheres to the following rules for verification of invoices.

For amounts **upto \$2,500**: it follows two way match.

For amounts **between \$2,500 - \$10,000**: it follows three way match.

For amounts **above \$10,000**: it follows four way match.

For which of the following companies will the organization follow a two way match?

Invoice Date	Invoice No.	Status	Customer Name	Customer Id	Balance	Due Date
16-3-2014	I999	Pending	Invoice Expert	C1001	\$5,000	25-12-2014
27-11-2014	I1003	Pending	Wegmans Food Markets	C1002	\$35,000	15-12-2014
15-07-2014	I1002	Pending	Camdem Property Trust	C1003	\$9,700	15-01-2015
13-10-2014	I1001	Pending	DPR Construction	C1004	\$12,000	23-02-2015
11-09-2014	I1000	Pending	HighTech Enterprise	C1005	\$1,230	24-02-2015

- a) Wegmans Food Markets and Invoice Expert
- b) DPR Construction and HighTech Enterprise
- c) HighTech Enterprise
- d) Invoice Expert