
Webinar – Accounting (Higher)

Theory Questions

1.		Outline three duties of a financial accountant.	3 marks
2.		Describe the features of a public limited company with regards to ownership, control and sources of finance.	3 marks
3.	(i)	Describe two sources of finance only available to a PLC.	2 marks
	(ii)	Describe three sources of finance available which would also be available to a partnership.	3 marks
4.		Describe two advantages of forming a plc rather than a partnership.	2 marks
5.		Explain how a manufacturing profit is treated in the Financial Statements.	1 mark
6.		Describe the term Equity Gearing.	1 mark
7.	(i)	Explain two uses of ratio analysis.	2 marks
	(ii)	Explain two limitations of ratio analysis.	2 marks
8.		Describe how a potential shareholder would make use of investment ratios.	2 marks
9.		Explain two advantages for a management accountant of using a spreadsheet to prepare a Cash Budget.	2 marks
10.		Explain non-financial performance indicators of an organisation.	2 marks
11.		Outline three duties of a management accountant.	3 marks
12.		Describe the use of weighted average (AVCO) inventory valuation.	2 marks

13.		Describe two advantages and one disadvantage of the weighted average method of inventory control.	3 marks
14.		Explain the difference between “apportionment” and “allocation” of overheads.	1 mark
15.		Describe the main benefits of using departmental overhead recovery rates rather than a simple factory wide recovery rate.	2 marks
16.	(i)	Describe the meaning of process costing.	1 mark
	(ii)	In connection with process costing, distinguish between normal loss and abnormal loss.	2 marks
17.		With reference to process costing, outline the procedure for recording abnormal loss in the accounts of a business.	4 marks
18.		Explain the uses of the following accounting systems: <ul style="list-style-type: none"> ◆ Process costing ◆ Budgeting 	3 marks
19.		Outline two advantages of using a spreadsheet to prepare a cash budget.	2 marks
20.		Explain the purpose of preparing a cash budget.	3 marks
21.		Explain three benefits of using spreadsheets when preparing a cash budget.	3 marks
22.		Explain the meaning of the term opportunity cost.	2 marks
23.		Explain reasons a special order may be rejected.	2 marks
24.	(i)	Describe two methods of investment appraisal.	2 marks
	(ii)	Identify one advantage and one disadvantage of each method.	4 marks
25		Describe how the use of computer software might aid the finance department when carrying out an investment appraisal exercise.	2 marks