

BURSAR AND ACCOUNTANT SECRETARY

2. 1.Resources minus capital equals: * ..

1 point

A.Assets

B.Liabilities

C.Revenue

D.Equity

3. 2. Assets are always equal to: *

1 point

..

☐ A.Capital

☒ B.Liabilities + Capital

☐ C.Liabilities + Accounts Payable

☐ D.Libilitie

4. 3. Purchase of machinery for cash: *

..

☐ A.Increases total assets

☐ B.Increases total liabilities

☒ C.Keeps total assets unchanged

☐ D.Increases assets and liabilities

1 point

5. 4. The excess of assets over liabilities is: * ..

1 point

A.Capital

B.Profit

C.Equity

D.Accounts payable

6. 5. Expenses paid by a business decrease: *

1 point

..

☐ A.Cash

☐ B.Capital

☒ C.Cash and capital

☐ D.Capital and accounts payable

7. 6.Which of the following statements best describes an account? *

..

☐ A. List balances from from the trial balances

☐ B. statement showing balances in the journal.

☐ C. Statement of the financial of an organisation

☒ D. Record of transaction of asset or a liability

8. 7.out of imprest of Frw 400,000 given to the school cashier, FRW 170,000 * 1 point remains as balance at the end of a given period.How much will be reimbursed at the end of period?

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1 point

- ☐ A.Frw 170,000
- ☒ B.Frw 230,000
- ☐ C.Frw 400,000
- ☐ D.Frw 500,000

9. **8.A Schools' furnitures had zn opening balance on 1st January,2022 of Frw * 1 point**
12,000,000.Additional furniture was bought by the school on 30th June,2022
amounting to Frw 4,000,000.Annual depreciation is 20%, compute annual
depreciation?

..

- ☐ A.Frw 2,400,000 B.Frw
- ☐ 800,000
- ☐ C.Frw 3,200,000
- ☒ D.Frw 2,800,000

Step 1: Calculate the depreciation for the opening balance

- Opening balance on 1st January 2022: Frw 12,000,000
- Depreciation rate: 20%

Depreciation for the opening balance = $12,000,000 \times 20\% = 2,400,000$

Step 2: Calculate the depreciation for the additional furniture

- Additional furniture bought on 30th June 2022: Frw 4,000,000
- Since the furniture was purchased midway through the year (6 months), depreciation is calculated for half the year.

Depreciation for additional furniture = $4,000,000 \times 20\% \times \frac{6}{12} = 400,000$


Step 3: Total annual depreciation

Total annual depreciation = $2,400,000 + 400,000 = 2,800,000$

Final Answer:

The annual depreciation is Frw 2,800,000.

10. 9. The document issued by a bank to a school informing the school of its * financial state of affairs is referred to as:

- ☐ A. Cash book
- ☐ B. Cheque book
- ☐ C. Bank statement
- ☐ D. Bank reconciliation statement.
- 

1 point

11. 10.The following items would be classified by a school bursar as capital expenditure except .. *

- ☐ A.Cost installing machinery
- ☐ B.Cost of painting s new building
- ☐ C.Legal cost of acquiring a land title
- ☐ D. Cost of repairs to a motorvan

12. 11.Which of the following is an asset? * 1 point

..

- ☐ A.Account payable
- ☐ B.Account receivable
- ☐ C.Sale revenue
- ☐ D.Owner'sequity

13. 12.Which financial statement shows a company's financial position at a specific date? *

..

- ☐ A.Balance sheet
- ☐ B.Income statement
- ☐ C.Statement of Cash Flows
- ☐ D.Retained Earnings Statement

14. 13.The process of recording transactions in chronological order is called: * 1 point

..

1 point

- ☐ A.Ledger
- ☐ B.Posting
- ☐ C.Trial balance
- ☐ D.Journalizing



15. 14. Which principle requires expenses to be recorded in the period they are incurred to generate revenue? *

1 point

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- ☐ A. Matching Principle
- ☐ B. Revenue Recognition Principle
- ☐ C. Historical Cost Principle
- ☐ D. Consistency Principle



16. 15. The formula for calculating net income is: *

..

- ☐ A. Assets - Liabilities
- ☐ B. Revenue - Expenses
- ☐ C. Assets + Liabilities
- ☐ D. Prepaid Expenses



17. 16. The accounting equation is: *

1 point

..

1 point

- ☒ A.Assets = Liabilities + Revenue
- ☐ B.Assets = Liabilities + Equity
- ☐ C.Assets = Expenses + Revenue
- ☐ D.Liabilities = Assets + Equity

18. 17.What type of account is “Accumulated Depreciation”? *

1 point

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- ☒ A.Asset
- ☐ B.Liability
- ☐ C.Contra Asset
- ☐ D.Revenue

19. 18.Which financial statement reports revenue and expenses? *

..

- ☐ A.Statement of Retained Earnings
- ☐ B.Statement of Cash Flows
- ☐ C.Balance Sheet
- ☒ D.Income Statement

20. 19.Which of the following has a debit balance? * 1 point

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- ☒ A.Accounts Receivable
- ☐ B.Accounts Payable
- ☐ C.Sales Revenue
- ☐ D.Owner’s Capital

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1 point

21. 20.If a business buys equipment for Frw 500,000 on credit, what accounts * 1 point are affected?

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- ☐ A.Equipment and Cash
- ☒ B.Equipment and Accounts Payable
- ☐ C.Equipment and Accounts receivables
- ☐ D.Equipment and Revenue

22. 21.If a company earns Frw 200,000 but only receives Frw 150,000, what is * the remaining amount classified as?

..

- ☐ A.Revenue
- ☒ B.Cash
- ☐ C.Accounts Receivable
- ☐ D.Prepaid Expense

23. 22.How is an owner's contribution of Frw 300,000 recorded? * 1 point

..

- ☒ A.Debit Capital, Credit Cash
- ☐ B.Debit Cash, Credit Capital
- ☐ C.Debit Revenue, Credit Cash
- ☐ D.Debit Cash, Credit Revenue

1 point

24. **23.If a company has Frw 600,000 in assets and Frw 250,000 in liabilities, * 1 point what is the owner's equity?**

..

- ☐ A.Frw 850,000
- ☒ B.Frw 350,000
- ☐ C.Frw 250,000
- ☐ D.Frw 600,000

25. **24.A business purchased equipment for Frw 1,200,000 with a useful life of * 5 years and no salvage value. What is the annual depreciation expense using the straight-line method?**

..

- ☐ A.Frw 100,000
- ☒ B.Frw 240,000
- ☐ C.Frw 200,000
- ☐

D.No right answers

$$\text{Annual Depreciation Expense} = \frac{\text{Cost of Asset} - \text{Salvage Value}}{\text{Useful Life}}$$

Given:

- **Cost of equipment:** Frw 1,200,000
- **Salvage value:** Frw 0
- **Useful life:** 5 years

$$\text{Annual Depreciation Expense} = \frac{1,200,000 - 0}{5} = 240,000$$

Final Answer:

The annual depreciation expense is Frw 240,000.

26. 25.Accounts that continuing existing even after the end of the accounting year are known as: ..

* 1 point

- ☐ A.Nominal accounts
- ☒ B.Real accounts
- ☐ C.Permanent accounts
- ☐ D.Revenue accounts

27. 26.A business purchases inventory worth Frw 500,000 and pays Frw 50,000 for transportation. What is the total cost of inventory?

..

- ☐ A.Frw 500,000
- ☒ B.Frw 550,000
- ☐ C.Frw 600,000
- ☐ D.Frw 10,000

28. 27.Double entry system of accounting means: *

..

- ☐ A.Entry in two sets of books
- ☐ B.Entry on two dates
- ☒ C.Entry for two aspects of the transaction
- ☐ D.Entry for one aspect of transaction

29. 28.If a company's total liabilities are Frw 200,000, and the debt-to-equity* 1 point ratio is 0.5, what is the total equity?

..

- ☐ A.Frw 300,000
- ☐ B.Frw 100,000
- ☒ C.Frw 400,000
- ☐

D.Frw 200,000

1 point

$$\text{Debt-to-Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

Given:

- **Debt-to-Equity Ratio: 0.5**
- **Total Liabilities: Frw 200,000**

Rearrange the formula to solve for Total Equity:

$$\text{Total Equity} = \frac{\text{Total Liabilities}}{\text{Debt-to-Equity Ratio}}$$

Substitute the values:

$$\text{Total Equity} = \frac{200,000}{0.5} = 400,000$$

Final Answer:

The total equity is Frw 400,000.

30. 29. The properties owned by a business enterprise are called: * 1 point

..



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1 point

- ☐ A.Assets
- ☐ B.Liabilities
- ☐ C.Capital
- ☐ D.Owner's equity

31. 30.Information about an entity's financial position is primarily provided in:

..

- ☐ A.The income statement
- ☐ B.The statement of financial position
- ☐ C.Retained earnings
- ☐ D.The statement of cash flows

32. 31.If Frw 120,000 in revenue was received, with a 15% sales tax included, * what is the revenue before tax? 3 points ..

- ☐ A.Frw 102,000
- ☐ A. Frw 105,000
- ☐ C.Frw 110,000
- ☐ D.Frw 115,000

$$\text{Revenue before tax} = \frac{\text{Total revenue}}{1 + \text{Tax rate}}$$

Given:

- Total revenue = 120,000 Frw
- Sales tax rate = 15% (0.15)

$$\text{Revenue before tax} = \frac{120,000}{1 + 0.15} = \frac{120,000}{1.15} = 104,347.83 \text{ Frw (approximately)}$$

This value does not exactly match any of the provided options. However, the closest match is likely due to rounding errors in the question setup. Based on estimation:

Correct Answer:

B. Frw 105,000

33. 32.A company has cash of Frw 200,000, accounts receivable of Frw100,000, and inventory of Frw 50,000. If the current liabilities are Frw 150,000, what is the current ratio?

..

☐ A.1.5

☐ B.2.0

☐ C.2.5

☒ D.2.33

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Step 1: Calculate current assets

Current assets include:

- Cash = Frw 200,000
- Accounts Receivable = Frw 100,000
- Inventory = Frw 50,000

$$\text{Total Current Assets} = 200,000 + 100,000 + 50,000 = \text{Frw } 350,000$$

Step 2: Calculate current liabilities

- Current Liabilities = Frw 150,000

Step 3: Compute the current ratio

$$\text{Current Ratio} = \frac{350,000}{150,000} = 2.33$$

Final Answer:

The current ratio is 2.33.

34. 33.Cash book balance was 1790 Rwf When compared with the bank statement, it was identified that Unpresented cheques were 1,040Rwf and deposits not credited were 820Rwf. Balance of the bank statement will be:

..

- ☐ A.1,570 Rwf
- ☐ B.3,650 Rwf
- ☐ C.2010 Rwf
- ☐ D.70 Rwf



$$(1790 + 1040) - 820 = 2010$$

35. 34. Cost of machine was 112,500Rwf, it's salvage value was 10,500Rwf * 3 points and estimated useful life 5 years for last year using the sum of digits method, depreciation will be:

..

- ☐ A.6,800 Rwf
- ☐ B.20,400 Rwf
- ☐ C.5,000 Rwf
- ☐ D.34,000 Rwf



Step 1: Calculate the sum of digits for 5 years.

The sum of digits from 5 to 1 is:

$$5 + 4 + 3 + 2 + 1 = 15$$

Step 2: Determine the depreciable amount.

The depreciable amount is the cost of the machine minus its salvage value:

$$\text{Depreciable amount} = 112,500 \text{ Rwf} - 10,500 \text{ Rwf} = 102,000 \text{ Rwf}$$

Step 3: Calculate the depreciation for the last year.

Since we are looking for the depreciation in the 5th year, the fraction for the 5th year is 1/15 of the depreciable amount:

$$\text{Depreciation for the last year} = 102,000 \text{ Rwf} \times (1/15) = 6,800 \text{ Rwf}$$

Therefore, the depreciation for the last year using the sum of digits method is 6,800 Rwf.

* 3 points

35. Given data below for a firm in its first year of operation, determine net income: Revenue 19,000 Rwf, Account receivable 4,000 Rwf, Expenses 7,250 Rwf & Account payable 750 Rwf:

* 3 points

..

- ☐ A. 14,000 Rwf
- ☐ B. 11,000 Rwf
- ☒ C. 11,750 Rwf
- ☐ D. 14,750 Rwf

Net Income = Revenue – Expenses

Given:

- Revenue = 19,000 Rwf
- Expenses = 7,250 Rwf

The accounts receivable and accounts payable are not directly used in the calculation of net income, as they represent amounts that will affect cash flow but not the actual income for the period.

Calculation:

Net Income = 19,000 Rwf – 7,250 Rwf = 11,750 Rwf

So, the net income for the firm in its first year of operation is 11,750 Rwf.

36. 36. A company purchases equipment for 60,000 Rwf with a down payment of 10,000 Rwf and the remainder on credit. How will this affect the balance sheet?

..

- ☐ A. Increase in assets by 60,000 Rwf; increase in liabilities by 10,000 Rwf
- ☒ B. Increase in assets by 60,000 Rwf; increase in liabilities by 50,000 Rwf
- ☐ C. Increase in assets by 50,000 Rwf; increase in equity by 60,000 Rwf
- ☐ D. Increase in assets by 60,000 Rwf; decrease in cash by 50,000 Rwf

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* 3 points

37.If a business has total assets of 800,000 Rwf, total liabilities of 500,000 Rwf, and retained earnings of 200,000 Rwf, what is the contributed capital?

* 3 points

..

A.100,000 Rwf

B.200,000

C.300,000 Frw

D.500,000 Frw

Assets = Liabilities + Equity

Where Equity is the sum of Contributed Capital and Retained Earnings.

Given:

- Total assets = 800,000 Rwf
- Total liabilities = 500,000 Rwf
- Retained earnings = 200,000 Rwf

Step 1: Calculate equity

First, we can calculate the equity (which is the difference between assets and liabilities):

Equity = Assets – Liabilities = 800, 000 Rwf – 500, 000 Rwf = 300, 000 Rwf

Step 2: Calculate contributed capital

Now, we know that Equity = Contributed Capital + Retained Earnings. So,

300, 000 Rwf = Contributed Capital + 200, 000 Rwf

Solving for Contributed Capital:

Contributed Capital = 300, 000 Rwf – 200, 000 Rwf = 100, 000 Rwf

Answer:

The contributed capital is 100,000 Rwf. Thus, the correct answer is:

A. 100,000 Rwf.

* 3 points

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39. 38.A& B Ltd is a supplier who was supplied cooking Oil and Ream of papers at Ntare TVET School which totaling up Rwf 5,000,000 including VAT. Your are requested to Calculate VAT amount payable for A&B Ltd.

..

- ☐ A.Amount payable for A&B Ltd Frw 4,237,288.13
- ☒ B.VAT= Frw 762,711.86
- ☐ C.VAT=Frw 900,000
- ☐ D.Amount payable for A&B Ltd =Frw 4,110,169.5

Step 1: Determine the VAT portion

The total amount (Rwf 5,000,000) includes both the base amount and the VAT. To find the VAT portion, we use the formula:

$$\text{VAT Amount} = \frac{\text{Total Amount}}{1 + \text{VAT Rate}} \times \text{VAT Rate}$$

Where:

- Total Amount = 5,000,000 Rwf
- VAT Rate = 18% (or 0.18)

First, calculate the base amount (excluding VAT):

$$\text{Base Amount} = \frac{\text{Total Amount}}{1 + \text{VAT Rate}} = \frac{5,000,000}{1 + 0.18} = \frac{5,000,000}{1.18} = 4,237,288.14 \text{ Rwf}$$

Now, calculate the VAT amount:

$$\text{VAT Amount} = \text{Total Amount} - \text{Base Amount} = 5,000,000 - 4,237,288.14 = 762,711.86 \text{ Rwf}$$

Answer:

The VAT amount payable for A&B Ltd is approximately 762,711.86 Rwf.

If a different VAT rate is applicable, substitute the rate and recalculate accordingly.

* 3 points

40. 39.If the equity at the beginning of the year was 200,000 Rwf, the company earned 50,000 Rwf in net income, and the owner withdrew 10,000 Rwf, what is the ending equity?

..

- ☐ A.250,000 Rwf
- ☒ B.240,000 Rwf
- ☐ C.260,000 Rwf
- ☐ D.280,000 Rwf

Ending Equity = Beginning Equity + Net Income – Withdrawals

Given:

- Beginning equity = 200,000 Rwf
- Net income = 50,000 Rwf
- Withdrawals = 10,000 Rwf

Calculation:

Ending Equity = 200,000 + 50,000 – 10,000 = 240,000 Rwf

Answer:

The ending equity is 240,000 Rwf.

3 points

- 40.If 5,000 Rwf is entered as 500 Rwf, what type of error is this? * ..

A.Error of principle

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* 3 points

- B. Error of original entry
- C. Error of commission
- D. Error of transposition

42. 41. A company has a minimum stock level of 200 units and a reorder quantity of 500 units. If the lead time is 5 days and the average daily usage is 50 units, what is the reorder level?

* 4 points

..

- ☐ A. 250 units
- ☐ B. 300 units
- ☒ C. 450 units
- ☐ D. 1,000 units

Reorder Level = (Average Daily Usage × Lead Time) + Minimum Stock Level

Given:

- Average daily usage = 50 units
- Lead time = 5 days
- Minimum stock level = 200 units

Calculation:

Reorder Level = (50 units/day × 5 days) + 200 units

Reorder Level = 250 units + 200 units = 450 units

Answer:

The reorder level is 450 units.

43. 42..If balance in the bank statement shows Rs. 3,000 (Dr.) and there are deposits of Rs. 800 not yet credited and unpresented cheques totaling Rs. 500, the balance in the Cash Book should be :

Check all that apply.

- ☐ A.Rs. 3,300 (Cr.)
- ☒ B.Rs. 2,700 (Cr.)
- ☐ C.Rs. 4,300 (Cr.)
- ☐ D.Rs. 1,700 (Dr.)

Given:

- Bank statement balance: Rs. 3,000 (Dr.)
- Deposits not yet credited: Rs. 800 (this increases the cash book balance).
- Unpresented cheques: Rs. 500 (this decreases the cash book balance).

Formula:

Cash Book Balance = Bank Statement Balance + Deposits Not Credited – Unpresented Cheques

Step-by-Step Calculation:

1. Start with the bank statement balance (3,000 Dr.).
2. Add deposits not credited (+800 Cr.).
3. Subtract unpresented cheques (-500 Cr.).

Cash Book Balance = 3,000 + 800 – 500 = 2,700 Cr.

Correct Answer:

The Cash Book balance is Rs. 2,700 (Cr.).

* 4 points

44. 43. A cash book (bank column) showed a balance of \$1,973 (credit) on 31 March. The following items did not appear in the bank statement on that date: Unpresented checks \$942, Checks banked \$865. What was the balance on the bank statement on 31 March?

..

- ☐ A. \$1,896 (credit)
- ☒ B. \$1,896 (debit)
- ☐ C. \$2,050 (credit)
- ☐ D. C. \$2,050 (debit)

Information Given:

- Cash book (bank column) balance: \$1,973 (credit)
- Unpresented checks: \$942
(These checks have been written but not yet cleared by the bank, so they will decrease the balance on the bank statement.)
- Checks banked: \$865
(These are deposits made but not yet credited by the bank, so they will increase the balance on the bank statement.)

Calculation:

Bank statement balance = Cash book balance – Unpresented checks + Checks banked

Bank statement balance = \$1,973 – \$942 + \$865

Bank statement balance = \$1,896

Final Answer:

The balance on the bank statement on 31 March was \$1,896.

* 4 points

45. 44. A company purchases 100 units at \$10 each and then 150 units at \$12 * 4 points each. What is the cost of goods sold (COGS) if 120 units are sold using FIFO?

..

☒ B. \$1,240

☐ A. \$1,140

☐ C. \$1,200

☐ D. \$1,000

FIFO Method:

1. Sell the first 100 units from the first purchase at \$10 each:

$$100 \times 10 = 1,000$$

1. Sell the remaining 20 units (120 - 100) from the second purchase at \$12 each:

$$20 \times 12 = 240$$

Total COGS:

$$1,000 + 240 = 1,240$$

Final Answer:

The Cost of Goods Sold (COGS) is \$1,240.

46. 45. In the books of D. Ltd. the machinery account shows a debit balance of Rs.60,000 as on April 1st, 2003. The machinery was sold on September 30, 2004 for Rs.30,000. The company charges depreciation @ 20% p.a. (FY April to March) on diminishing balance method. What will be the Profit or Loss on sale of machinery?

..

- ☐ A.Rs.13, 200 Profit.
- ☒ B.Rs.13, 200 Losses.
- ☐ C.Rs.6, 800 Profit
- ☐ D.Rs.6, 800 Losses.

Given Information:

- **Machinery Account Balance as of April 1st, 2003:** Rs. 60,000
- **Depreciation Rate:** 20% per annum (diminishing balance method)
- **Sale Date:** September 30, 2004
- **Sale Price:** Rs. 30,000

Steps to Calculate Depreciation and Profit/Loss on Sale:

1. **Depreciation for the year 2003-2004** (from April 1, 2003, to March 31, 2004): Depreciation for the year = 20% of Rs. 60,000

$$60,000 \times 0.20 = 12,000$$

1. **Depreciation for the year 2004-2005** (from April 1, 2004, to September 30, 2004): The book value at the start of FY 2004-2005 is Rs. 48,000.
Depreciation for 6 months (half of the annual depreciation) = 20% of Rs. 48,000 for 6 months

$$48,000 \times 0.20 \times \frac{6}{12} = 4,800$$

1. **Profit or Loss on Sale:** Sale Price = Rs. 30,000
Book value at the time of sale = Rs. 43,200
Loss on Sale = Rs. 43,200 - Rs. 30,000 = Rs. 13,200

Final Answer:

There will be a Loss of Rs. 13,200 on the sale of the machinery.

* 4 points

47. 46.XYZ Corporation has just completed its annual financial statements * 4 points for the year ending December 31, 2024. The balance sheet reflects the following information:
Property, Plant, and Equipment: \$300,000, Cash: \$80,000,
Accounts Payable: \$60,000, Long-Term Debt: \$200,000
Accounts Receivable: \$50,000, Inventory: \$30,000, Prepaid Expenses: \$20,000, Accumulated Depreciation: \$30,000, Short-Term Debt: \$40,000.
46.A. What is the total value of current assets for XYZ Corporation?

..

- ☐ A. \$160,000
☐ B. \$140,000
☒ C. \$180,000
☐ D. \$200,000

From the provided information:

- Cash: \$80,000
- Accounts Receivable: \$50,000
- Inventory: \$30,000
- Prepaid Expenses: \$20,000

Now, we add them up:

$$80,000 + 50,000 + 30,000 + 20,000 = 180,000$$

The total value of current assets for XYZ Corporation is **\$180,000**.

48. 46.B. Calculate the total non-current assets by considering the given data.

..

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* 4 points

- ☐ A.\$250,000
- ☒ B.\$270,000
- ☐ C.\$240,000
- ☐ D.\$280,000

From the balance sheet data provided for XYZ Corporation:

- **Property, Plant, and Equipment:** \$300,000
- **Accumulated Depreciation:** \$30,000 (this is subtracted from the Property, Plant, and Equipment value to reflect its net value)

So, the net value of Property, Plant, and Equipment is:

$$300,000 - 30,000 = 270,000$$

Non-current assets for XYZ Corporation would therefore be **\$270,000**.

49. 46.C.What is the total liabilities for XYZ Corporation? * ..

4 points

- A.\$100,000
- B.\$200,000
- ☒ C.\$300,000
- D.\$280,000

From the provided information:

- **Current Liabilities:**

- Accounts Payable: \$60,000
- Short-Term Debt: \$40,000

Total current liabilities = \$60,000 + \$40,000 = \$100,000

- **Non-current Liabilities:**

- Long-Term Debt: \$200,000

Now, add the current liabilities and non-current liabilities together:

$$100,000 + 200,000 = 300,000$$

The total liabilities for XYZ Corporation are **\$300,000**.

50. 46.D.What is the current ratio for XYZ Corporation? *

4 points

..

- ☒ A.1.8
- ☐ B.2.0
- ☐ C.3.0
- ☐ D.1.5

From the previous calculations:

- **Current Assets = \$180,000**
- **Current Liabilities = \$100,000**

Now, apply the formula:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{180,000}{100,000} = 1.8$$

51. **50.A School purchased a motor vehicle worth Frw 30,000,000 with residual value of Frw 6,000,000.It is expected to last 5 years.calculate the value of the motor vehicle after 3 years.**

..

- ☐ A.Frw 14,400,000
- ☐ B.Frw 18,000,000
- ☐ C.Frw 15,600,000
- ☐ D.Frw 24,000,000

Straight-Line Depreciation Formula:

$$\text{Annual Depreciation} = \frac{\text{Cost of Asset} - \text{Residual Value}}{\text{Useful Life}}$$

Given:

- **Cost of the motor vehicle = Frw 30,000,000**
- **Residual value = Frw 6,000,000**
- **Useful life = 5 years**

Step 1: Calculate the annual depreciation

$$\text{Annual Depreciation} = \frac{30,000,000 - 6,000,000}{5} = \frac{24,000,000}{5} = 4,800,000$$

Step 2: Calculate the depreciation for 3 years

$$\text{Total Depreciation after 3 years} = 4,800,000 \times 3 = 14,400,000$$

Step 3: Calculate the value of the motor vehicle after 3 years

$$\text{Value after 3 years} = \text{Cost of Asset} - \text{Total Depreciation after 3 years}$$

$$\text{Value after 3 years} = 30,000,000 - 14,400,000 = 15,600,000$$

The value of the motor vehicle after 3 years is Frw 15,600,000.

