



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ACCOUNTING	
QUALIFICATION CODE: 07BOAC	LEVEL: 5
COURSE CODE: FAC512S	COURSE NAME: FINANCIAL ACCOUNTING 102
SESSION: JANUARY 2018	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr. G Jansen, Mr. S J Chikambi and Mr. A Claassen
MODERATOR:	Ms. J van Wyk

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Start each question on a new page, number the answers correctly and clearly.3. Write clearly and neatly.4. Questions relating to this examination may be raised in the initial 30 minutes after the start of the paper. Thereafter, candidates must use their initiative to deal with any perceived error or ambiguities and any assumptions made by the candidate should be clearly stated.

PERMISSIBLE MATERIALS

1. Scientific calculators

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

GENERAL: DISCLAIMER

The names of people and businesses used throughout this examination paper do not reflect the reality and may be purely coincidental.

QUESTION 1

(17 MARKS)

The following information was extracted from the books of Mshasho Ltd.

On 1 March 2018 initial balance:

Purchases ledger control account	N\$28,500	CR
Sales ledger control account	N\$67,300	DR
During the month the was this transaction:		N\$
Cash sales		12,000
Credit sales		20,000
Cash purchases		8,800
Credit purchases		14,000
Discounts received from suppliers		5,400
Discounts allowed to customers		4,200
Returns Inwards		900
Cash received from customers		25,000
Cash payment to suppliers		30,000
Returns Outwards		700
Bad debts written off		100
Bills receivable from customers		11,000
Dishonored cheques returned to customers		500
Balances in sales ledger set off against credit		
Balances in purchases ledger		2,600

REQUIRED

Use the information to draw up the accounts of Mshasho Traders.

- (a) Receivables Control account (10)
- (b) Payables Control account (7)

QUESTION 2

(17 MARKS)

On 31 December 2018 the bank column of Jansen Ltd's cash book showed a debit balance of N\$800.

The monthly bank statement written up to 31 December 2018 showed a debit balance of N\$3 450

1. On checking the cash book with the bank statement, it was discovered that the following transactions had not been entered in the cash book:
2. Dividends of N\$3 110 had been paid directly to the bank.
3. A credit transfer- Namibian Inland Revenue VAT refund of N\$1 420- had been collected by the bank.
4. Bank charges N\$480
5. A direct debit of N\$690 for the newspaper subscription 'The Namibian' had been
6. paid by the bank.
7. A standing order of N\$200 for Jansen Ltd's loan repayment had been paid by the bank.
8. Jansen Ltd's savings account balance of N\$1 400 was transferred into his current account.
9. A further check revealed the following items:
10. Two cheques drawn in favour of ABC Pty Ltd N\$2 250 and
11. Wholesale Ltd N\$4 290 had been entered in the cash book but had not been presented for payment.
12. Cash and cheques amounting to N\$6000 had been paid into his bank on 31 December 2018 but were not credited by the bank until 2 January 2019.

REQUIRED

- 2.1 Adjust and balance the cash book. (8)
- 2.2 Prepare a bank reconciliation statement at 31 December 2018. (9)

QUESTION 3**(14 MARKS)**

3.1 In a tabular form, list and explain five differences between Partnership and close corporation. e.g (12 Marks)

Differences: Partnership vs Close Corporation		
Item no.	Partnership	Close Corporation
1. Form	Is liquid	Is solid
2. Sex	Is male	Is female

3.2 Recommend, between the two type of business, which is the best form and give two reasons to support your recommendation (2 marks)

QUESTION 4**(45 MARKS)**

Global-Link Ltd issued a prospectus inviting applications for 270 000 ordinary shares of N\$3 each and N\$270 000 worth of 7% debentures of N\$90 each.

The ordinary shares were offered at premium at N\$4.50 each. The debentures were offered at par payable at N\$90 on application.

Applications were received for 290 000 ordinary shares and 3 100 debentures.

All ordinary shares and debentures offered were allotted and excess money was refunded.

REQUIRED

4.2 Define the following terms and give one example for each: (6 marks)

4.1.1 Debenture (2)

4.1.2 Ordinary share (2)

4.1.3 Share premium (2)

4.2 Record the above issue in the General Ledger of Global Link Ltd (28 marks)

4.3 Draw up the Statement of Financial Position as at the business immediately after the completion of the issue of shares (11 Marks)

QUESTION 5**(7 MARKS)**

The following information pertains to Rocky CC:

Retained earnings (1 March 2017) ...	295 180
income tax expense	115 200
Loan to A Showers	50 000
Loan from R Willow ...	70 000
Accrued expenses ...	6 800
Prepaid expenses ...	5 920


Additional information:

1. The investment consists of 130 000 ordinary shares of N\$1 each in Good Company Ltd.
2. The profit before tax was calculated as N\$ 441 380 before the valuation of the investment for the current financial year was considered. On 28 February 2017 the fair value of the shares was N\$ 143 000.
3. During the financial year A Showers experienced personal financial difficulties, resulting in the CC granting her a loan of N\$50 000 on 31 August 2017. The loan is immediately callable.
4. The long-term loan from Last National Bank is secured by the land and buildings and repayable on 1 March 2020.
5. The loan from R Willow is unsecured and interest free. An amount of R 35 000 is repayable on 1 March 2017. The outstanding balance is repayable on 1 March 2018.
7. Provide for a further total profit distribution of N\$ 42 000 to the members. This amount is payable to them on 1 March 2017.

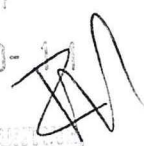
REQUIRED

Prepared the Statement of Profit or Loss for the year ended 28 February 2018.

END OF EXAMINATION

 **UNIVERSITY
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Malda**

2018 -10- 11



**MOD: ACCOUNTS
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