



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: VARIOUS PROGRAMMES	
QUALIFICATION CODE: VARIOUS	LEVEL: 5
COURSE CODE: BAC1100	COURSE NAME: BUSINESS ACCOUNTING 1A
SESSION: JULY 2022	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINERS	Kangala, H., Neliwa, N., Hainghumbi, H., Sheehama, K.G.H., Namwandi, H. and Odada, L.
MODERATOR	Andrew, Y

INSTRUCTIONS
<ul style="list-style-type: none">• Answer ALL the questions in blue or black ink only. STRICTLY NO PENCIL• Start each question on a new page, number the answers correctly and clearly.• Show all your workings/calculations and round off only final answers to two decimal places• 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

- Silent, non-programmable calculators

THIS QUESTION PAPER CONSISTS OF _6_ PAGES (Excluding this front page)

Sales	33 500	29 150
Cost of sales	18 970	16 290
Depreciation	<u>1 980</u>	<u>1 650</u>
Profit Before Interest and Tax	12 550	11 210
Interest paid	486	463
Net profit before tax	12 064	10 747
Taxes	<u>4 222</u>	<u>3 761</u>
Net profit after tax	<u>7 842</u>	<u>6 986</u>
Dividends	4 000	4 000
Additions to retained profits	3 842	2 986

REQUIRED		MARKS
Calculate the following ratios for 2019 and 2020. Use a 365-day year.		
a)	Current ratio	4
b)	Quick/Acid Test ratio	4
c)	Debtors' collection period	4
d)	Creditors settlement period	4
e)	Gross Profit Margin	4
TOTAL MARKS		20

QUESTION 3**[15 MARKS]**

The following list of account balances was taken from the records of Sitapata Store Traders as at 28 February 2022.

	N\$
Drawings	2 647
Capital	49 000
Loan – Nedbank	9 000
Furniture @cost price	14 600
Accumulated depreciation on furniture	2 680
Motor vehicles @cost price	34 500
Accumulated depreciation on motor vehicle	7 360
Accounts receivables	6 435
Provision for bad debts	290
Inventory (1 March 2019)	20 230
Bank (Dr)	18 907
Sales	102 359
Sales returns	3 624
Purchases	49 085
Freight on purchases	6 485
Packaging material	1 894
Bad debts	214
Salaries	7 555
Rent expense	3 619
Telephone	894

Additional information not yet taken into account:

- a) According to the inventory count records, the inventory on hand amounts to N\$18 320 and packaging material N\$762 on 28 February.
- b) The owner paid-in advance N\$300 on the telephone account for the next month as he was going to be out of town.
- c) The owner took inventory amounting to N\$345 for his own use.
- d) An account for freight amounting to N\$175 was received late and not yet paid at year end.
- e) Depreciation must be provided at 10% for furniture and 15% for motor vehicles using straight line method for both asset groups.
- f) A debtor with an outstanding debt of N\$95 must be written off.
- g) Net profit for the current financial period is N\$21 581.

Required:

Prepare the statement of financial position of Sitapata Store Traders as at 28 February 2022

QUESTION 4**[30 MARKS]**

On 1 February 2022, H Carter commenced business as an estate agency, known as HC Agency. During February, he concludes the following transactions:

1. Carter transfers office equipment that he owns and that is valued at N\$1 000, to the business.
2. Carter invests N\$5 000 by cheque in the business. On the same day, the business invests N\$1 200 in a fixed deposit account.
3. The agency pays rental of N\$1 200 by cheque for the office premises from where it operates.
4. Purchase stationery from Durban Printers for N\$700 on credit.
5. Complete a transaction for a client and receives a commission of N\$3 500 by cheque for the service.
6. Pay salaries and wages by cheque N\$900.
7. Complete a transaction for Azed Builders on account and invoice them for commission of N\$1 500.
8. H Carter withdraws N\$500 for his own use.
9. Azed Builders made a payment of N\$800 on the outstanding account.
10. Paid the account of Durban Printer in full and received a discount of 10%.

Required:

Record the above transactions in the general ledger of HC Agency in the form of a T-account; balance-off all the accounts as at 28 February 2022.

QUESTION 5

[15 MARKS]

For questions 1 – 15, just write the answer only (the correct letter chosen) in your answer sheet. Do not copy the full answer

1. Posting the cash book transactions in bookkeeping means:
 - a) Making the first entry of double entry transaction
 - b) Entering items in a cash book
 - c) Entering amounts from the cash book into ledger account
 - d) None of the above
2. Sales Invoices are first entered in which book of first entry:
 - a) The Cash Book
 - b) The Purchases Journal
 - c) The Sales Account
 - d) The Sales journal
3. The source document used for banking money into a bank account is:
 - a) A Cheque book
 - b) A deposit slip
 - c) A cash book
 - d) A general ledger.
4. A is a document issued by a commercial bank to its customers, showing all the transactions that have taken place on the customer's account during a particular period.
 - a) Bank Statement
 - b) Credit Note
 - c) Mortgage Letter
 - d) Invoice
5. Given a purchase invoice showing 5 items of N\$ 80 each, less trade discount of 25 % and cash discount of 5 %, if paid within the credit period, how much will the customer pay?
 - a) N\$ 285
 - b) N\$ 280
 - c) N\$ 260
 - d) N\$300
6. Where will credit notes issued by the selling entity be recorded in the selling entities books?
 - a) Sales Account
 - b) Returns inward Account
 - c) Sales Returns Journal

- d) Returns outwards Journal
7. A summary of all transactions to individual accounts can be found in the:
- a) General Ledger
 - b) Nominal Ledger
 - c) Creditors Ledger
 - d) Debtors Ledger
8. The is a document that is used as an acknowledgement of receipt of cash by an entity.
- a) Credit note
 - b) Cash Invoice
 - c) Purchases invoice
 - d) Cash Receipt
9. The is a process or sequence in which accounting information is recorded and processed from the time a transaction takes place to the time that the financial statements are prepared.
- a) Accounting Equation
 - b) Accounting Cycle
 - c) General Ledger
 - d) Adjusting Entries
10. The Accounting Cycle begins with the
- a) Books of original entry
 - b) Transactions
 - c) Records
 - d) Entries
11. The fundamental Accounting Assumptions are:
- a) Going concern, conservation, Accrual
 - b) Going concern, materiality, consistency
 - c) Going concern, Accrual, consistency
 - d) Going concern, entity, periodicity.
12. What does double entry bookkeeping mean?
- a) Keeping the basic record of business transactions
 - b) Providing this record to the business management
 - c) The process of recording data relating to accounting transactions in the accounting books

- d) A system where each transaction is entered twice, once on the debit side and once on the credit side.
13. The basic purpose of preparing a trial balance is:
- a) to find out profit of the business
 - b) to show financial position of the business
 - c) to test arithmetical accuracy of the ledger
 - d) to calculate net purchases of the business
14. A trial balance after considering the effect of adjusting entries is known as:
- a) Financial trial balance
 - b) Adjusted trial balance
 - c) Unadjusted trial balance
 - d) Normal trial balance
15. Which of the following errors will not be detected by trial balance?
- a) Debit part is overstated but credit part is correctly recorded
 - b) Debit part is correctly recorded but credit part is overstated
 - c) Both debit and credit parts are overstated by the same amount
 - d) Debit part is correctly recorded but credit part is understated

END OF EXAMINATION QUESTION PAPER

