



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT

QUALIFICATION CODE: 06DBPM

LEVEL: 6

COURSE: PRACTICAL ACCOUNTING 2B

COURSE CODE: PRA212

DATE: JUNE 2018

SESSION: 1

DURATION: 2 HOURS

MARKS: 70

1st OPPORTUNITY EXAM

EXAMINER: MRS. Z. MARITZ

MODERATOR: MRS. W. GERTZE

**1. THIS EXAMINATION PAPER CONSISTS OF 5 PAGES
(INCLUDING THIS FRONT PAGE)**

2. INSTRUCTIONS

3. Answer ALL questions.
4. Please write down your answers in the answer book provided.
5. Start each question on a new page.
6. Write neatly and clearly.
7. Show all your workings.

Question 1 (17 Marks)

The following items were taken from the accounting records of ABC Accounts on 30th April 2018.

Accounts Payable	57,000	Long-term investments	35,000
Accounts Receivable	32,000	Vehicles	60,000
Buildings	255,000	Accrued Expenses	9,000
Cash	15,000	5 year Loan (Wesbank)	35,000
Equipment	76,000	A/D: Equipment	6,000
Capital	??	Interest Income	2,000
Prepaid Expenses	12,000	Administrative Expenses	32,000
Sales	198,000	Salary Expenditure	22,000

Required:

Use the information as provided above and prepare the Statement of Financial Position as on 30th April 2018.

Question 2 (11 Marks)

The following items were taken from the accounting records of B. Long as on 30th April 2018.

Accounts Payable	57,000	Long-term investments	35,000
Accounts Receivable	32,000	Operating expenses	28,000
Buildings	255,000	Accrued Expenses	9,000
Cash	15,000	Loan: Bank Windhoek	35,000
Equipment	76,000	Purchases	39,000
Capital	323,000	Interest Received	2,000
Prepaid Expenses	12,000	Inventory (Opening)	82,000
Sales	123,000	Inventory (Closing)	25,000

Required:

Use the information provided and prepare the Statement of Profit or Loss and other Comprehensive Income for the period ended 30th April 2018.

Question 3 (16 marks)

1. The bank statement for April 2018 shows an ending credit balance of N\$34,900.
2. On 30th April 2018 the bank statement shows charges of N\$350 for the service charge for maintaining the checking account.
3. On April 28 the bank statement shows a return item of plus a related bank fee of N\$100. The return item is a customer's payment that was returned because of insufficient funds.
4. The bank statement shows a charge of N\$800 for annual management fees.
5. The bank statement shows that N\$80 was added to the account on April 30th for interest earned by the company during the month of April.
6. The bank statement shows that a customer deposited N\$10,000 into the company's account on 29th April. On the same day, the bank withdrew N\$400 from the company's account as cash deposit fees.
7. The company's bank account at the end of April shows a favourable balance of N\$9 670.
8. During the month of April the company issued payments totalling more than N\$500 000. As on end April N\$30,210 of the payments had not yet cleared the bank and N\$2 000 of payments issued in March had not yet cleared the bank.
9. The N\$14 500 of cash received by the company on 30th April was recorded on the company's books as of April. However, the N14 500 of cash receipts was deposited at the bank on the morning of 1st May.
10. On April 29 the company's bank account shows cash sales of N\$1 450. The bank statement shows the amount deposited was actually N\$1 540. The company reviewed the transactions and found that N\$1 540 was the correct amount.

Required:

Update the company's bank account and do the bank reconciliation for April 2018.

Question 4 (20 Marks)

Jim keeps control accounts for his Purchases and Sales Ledgers. He extracted the following balances from her books of accounts for the month of May 2018:

		N\$
1st May	Purchase Ledger balance	Dr 186
		Cr 17,960
	Sales Ledger balance	Dr 28,240
		Cr 235
31st May	Purchase on credit	49,216
	Cash purchases	4,820
	Sales on credit	63,140
	Cash sales	6,280
	Bad debts written off	190
	Returns outwards	1024
	Returns inwards	1,642
	Cash received from credit customers	67,930
	Discount received	1,045
	Dishonored cheque recharged to credit customer	315
	Legal fees charged to customers	150
	Payments to suppliers	47,310
	Discount allowed	1,820
	Sales ledger debit balances transferred to purchases ledger per contra	450
	Purchase ledger debit balances at 31st May	212
	Sales ledger credit balance at 31st May	287
	Provision for bad and doubtful debts	320

Required:

Open the Purchases Ledger and Sales Ledger Control Accounts for the month of May 2018

Question 5 (6 Marks)

Cramy Coffee Shop, based in Windhoek, provided you with the following information regarding their payroll for the month of April 2018

Name	Job profile	Basic hourly rate	Hours worked
Latte	Chef	60	190
Cappuccino	Waiter	20	180

Additional information:

- A month consists of 150 normal hours. Overtime worked on a weekend is remunerated at twice the normal hourly rate. All the overtime has took place during weekends.
- Lattes's PAYE is deducted at 17% of total wages, while Cappucino is subject to Income Tax on earnings exceeds N\$4 250 per month.
- Social Security is payable on the basic salary and deducted at the prescribed rate.
- Cappucino borrowed N\$1 000 from his employer and repays this amount in 4 equal instalments. The first instalment is due in March 2018.
- If the turnover of the shop exceeds N\$150 000 per month, all of the employees are entitled to 1% of the turnover exceeding N\$150 000. The turnover for April 2018 had been N\$185 000.

Required:

Draw up a dummy payslip for Latte. Round all amounts off to the nearest N\$.

END OF EXAMINATION PAPER

