



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT: ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION : Bachelor of Accounting/ Bachelor of Accounting (Chartered Accountancy)	
QUALIFICATION CODE: 07BOAC/07BACC	LEVEL: 7
COURSE: Computerised Accounting 301	COURSE CODE: CAC710S
DATE: July 2022	SESSION: Morning
DURATION: 3 Hours	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Y. Elago and E. Kangootui
MODERATOR:	E. Milijala

THIS QUESTION PAPER CONSISTS OF 6 PAGES
(Excluding this front page)

INSTRUCTIONS

1. This assessment paper is made up of **three** questions which are related.
2. Read the whole question paper before you start.
3. Make sure that your student number appears on the reports. **(Computer printout).**
4. It is your responsibility to see that all the reports are handed in.
5. Use of internet or any communication devices during the assessment is prohibited.
6. Questions relating to this paper may be raised within the first 30 minutes of the assessment. Thereafter, candidates must use their initiative to deal with any perceived errors or ambiguities and any assumption made by the candidate should be written and submitted together with the reports.
7. Round off all calculated amounts to two decimal places.

QUESTION 1**(25 Marks)****Background Information:**

You are hired as the financial accountant of **Quickest Service (Pty) Ltd** which the family established it a year ago. Their main business is selling various accessories. The company uses a periodic inventory system, a VAT registered vendor and process its amounts exclusive of 15% VAT, unless otherwise stated. Its records are based on an integrated method and it does not process the following documents; quotations, sales orders, purchase orders and goods received notes. Its financial year starts on 1st January, bank with Bank WHK and keeps a petty cash account with an imprest amount of N\$3 000. It use the balance forward processing method and prints its documents on plain single paper. All non-current assets were bought at inception date and brought into use immediately, unless otherwise stated. The company uses the cost model to account for property, plant and equipment.

The directors of the firm requested you to capture opening balances for the company's current financial period that begins on 1st Jan 2021.

The following is a trial balance which was taken from the books of **Quickest Service (Pty) Ltd** as at 31st Dec 2020

	Balance (N\$)'000
Ordinary share capital (nominal)	165.8
Motor vehicles at cost	50
Equipment at cost	11
Fixed deposit: ABSA Bank Ltd	50
Inventory: Merchandise	9.8
Accounts receivables control (<i>see note 1</i>)	5.2
Bank	6.9
Petty cash	2.8
Cash float	0.9
Accounts payables control (<i>see note 2</i>)	9.55
Long-term borrowings: Bean Ltd	25
Allowance for credit losses (provisions for bad debts)	0.30
Credit losses (bad debts)	0.55
Packaging materials	4.7
Advertisements	2
Rent income	15.6
Settlement discount received	0.65
Interest on investment	5
Credit losses recovered	0.12
Accumulated Profits or Losses	???

Notes:

1. Accounts Receivable Balance

Account Holder	Account Number	Amount (N\$)'000
All Cars CC	CAR001	1.32
Mr Mills	MIL001	?
Mountain Motors CC	MOU001	0.78
UNESCO	UNE1000	2.1
Mr. Pohanda Haufiku	POH100	(0.25)

2. Accounts payable

Name	Account Number	Amount (N\$)'000
Assegai Chemicals	ASS001	2.55
Barco Limited	BAR001	1.1
Cleaning Supplier CC	CLE001	6
WAM Cleaning Equipment	WAM001	?

3. Property consists of a piece of land and a building.

- The original cost of the land was N\$200 000 while the building was built N\$190 500 and was ready for use on 1 Jan 2020. Building is subjected to a depreciation charge of ten percent per annum.
- The environmental regulations of the City of Windhoek require that the business be dismantled after ten years. It is estimated that this will cost the company an amount of N\$30 000. The discount rate applicable is 10%.

Required:

Capture opening balances for **Quickest Service (Pty) Ltd**, including **accumulated depreciation** for non-current assets as at 1 Jan 2021 (**Period one**).

Update all batches, no report to be printed at this stage!!!

QUESTION 2**(25 Marks)****Period 2 Transactions**

Create the following Inventory items:

Code	Item	Cost Price (N\$)
BUC001	Bucket	60
COS001	Car Cosmetic Kit	45
CAR001	Car Shampoo	180
POL001	Car Polish Kit	300
CHA001	Chamois & Car Wash	40
DAS001	Dashboard Shine	400
ENG001	Engine degreaser	200
TYR001	Tyre Shine	90
BRU001	Scrubbing Brush	120

The pricing policy of the company is to achieve a twenty percent mark-up on all inventory items.

The following transactions took place during Feb 2021:

1. Invoice number 103 received from Assegai Chemicals for 8 x Car Polish Kits. Price per unit, N\$400.
5. Bought from Barco Limited 20 x Buckets for N\$80 each, Invoice number BL09
8. Receive invoice number W89 from WAM for the following:
100 x Scrubbing brushes @ N\$120 each;
100 x Tyre Shine @ N\$90 each;
90 x Car Cosmetic Kits @ N\$45 each; and
A 5% discount applies to all the items.
12. Bought from Cleaning Supplies a Vacuum Cleaner for a price of N\$3 000
Invoice number CS890 was received.
15. Receive invoice WAM 678 from WAM for:
10 x Engine degreaser @ N\$200 each;
10 x Car Shampoo @ N\$180 each;
10 x Chamois & Car wash @ N\$40 each;
10 x Dashboard Shine @ N\$400 each; and
A 2.5% discount applies to Car shampoo.

The following transactions also took place during Feb 2021:

2. Send an invoice to All Cars CC for four Car Polish Kits
9. Sold on cash the following items:
 - 10 x Scrubbing brushes @N\$200 each; and
 - 10 x Tyre Shine @ N\$190 each.
10. Sold the following to Mr Mills
 - 5 x Engine degreaser allowing a discount of 3.5% and 4 x Car Shampoo
20. The buckets bought from Barco Ltd were damaged. These were returned to the supplier the same day and receive a Debit note INV400
21. Two bottles containing Car Shampoo bought from WAM were leaking. They were returned and receive doc number 456
25. Three of the Tyre Shine which were sold were returned.
27. Two of the Engine degreaser was returned to the business and we eventually returned them to the supplier.

Required:

Create inventory items, process suppliers and customers' transactions accordingly for the month of Feb 2021.

Update all batches, no report to be printed at this stage!!!

Question 3

(50 Marks)

The following year-end adjustments must still be taken into account:

- (a) Packaging material on hand at 31 December 2021, N\$980.
- (b) The long-term borrowing was entered into on 1 October 2019. According to the agreement, interest will be payable bi-annually at a rate of 18% per annum.
- (c) Advertisements include an amount of N\$400 paid for January 2022.
- (d) Rent income includes an amount in respect of January 2022. No increase in rental fee for the past 2 years.
- (e) Interest on the fixed deposit has not yet been received for the last two months of the financial year. Interest is calculated at a rate of 12% per annum. The deposit is classified as long-term financial asset.
- (f) Insurance includes an amount of N\$750 paid for the period 31 December 2021 to 31 January 2022.
- (g) The telephone account of N\$165 for December 2021 was not yet paid.
- (h) Depreciation must be provided for as follows:
 - Vehicles: 20% per annum on the diminished balance.
 - Plant: 25% per annum on cost with no residual value.
 - Equipment: 10% per annum on the diminished balance.Equipment with a cost of N\$2 000 was purchased on 1 July 2021
- (i) **Quickest Service** (Pty) Ltd acquired a plant for N\$100 000 on 1 January 2021 and transferred the payment immediately. **Quickest Service** (Pty) Ltd has a legal obligation to dismantle the plant at the end of its 4 year useful life. The dismantling will cost N\$20 000. The current average cost of capital is 9.5%. No entries were recorded in the books.
- (j) The account of Loose-Ends Ltd, a debtor owing the entity N\$2000, must be written off as irrecoverable.
- (k) It was determined that the allowance of credit losses account should amount to N\$250 at 31 December 2021.
- (l) Income tax for the year is estimated to be N\$30 000.
- (m) Settlement discount granted and received are set off against revenue and cost of sales respectively.

Required:

Process the above transactions in period 12, update all batches, and print out the following reports:

1. A **detailed ledger of Quickest Service (Pty) Ltd** for the year ended 31st Dec 2021
(View – General ledger – Transaction – Detailed ledger)
 - Account start 1000 – Account end 9990
 - Sub account start 000 – Sub account end 999
 - **Period 1 – period 12**

2. **Suppliers and customer's** detailed ledgers.
 - Customers: View – Customers – Detailed ledger – By customers
 - Suppliers: View – Suppliers – Detailed ledger – By suppliers
 - **Period: 1 – Period 12**

=====End of 2nd Opportunity Examination=====