



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT AND BACHELOR OF MARKETING	
QUALIFICATION CODE: 07BLSC AND 07MARB	LEVEL: 5
COURSE: FINANCIAL ACCOUNTING 101	COURSE CODE: FAC511S
SESSION: NOVEMBER 2025	PAPER: THEORY & CALCULATIONS
DURATION: 3 Hours	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINERS:	Ms H Kangala
MODERATOR:	Mr C Mahindi

INSTRUCTIONS TO CANDIDATES
<ol style="list-style-type: none">1. Answer all questions in blue or black ink.2. Round off all amounts to the nearest Namibian Dollar, where applicable.3. A non-programmable calculator is permissible.4. Show all your workings (where applicable).

This question paper is made up of 6 Pages (Excluding the front page)

Question 1**30 Marks****PART A****20 Marks**

Answer the following questions by writing the question number and correct letter next to it. The questions all carry 2 Marks each.

1. Volkano CC acquired their equipment at a total cost of N\$56 000, 2 years ago. Accumulated depreciation of the equipment at the end of the prior year amounted to N\$25 000. Depreciation is calculated at 10%, using the diminishing balance method. How much is the accumulated depreciation at the end of the current year?
 - A. N\$27 900.
 - B. N\$28 100.
 - C. N\$40 824.
 - D. N\$15 176.
 - E. None of the above
2. Chelsea FC has a 30 June 2024 financial year; the entity purchased a machinery for N\$200,000 on 31 January 2024. The entity depreciates the machinery using a straight-line method at 20% per annum. Provide the journal entry to account for the depreciation charge?
 - A. Dr - Machinery; Cr – Depreciation.
 - B. Dr - Depreciation; Cr – Machinery.
 - C. Dr - Accumulated depreciation; Cr – Depreciation.
 - D. Dr - Depreciation; Cr - Accumulated depreciation.
 - E. None of the above
3. Nigel Ltd, recovered N\$8,000 from a debtor that was written off as irrecoverable in the prior financial year, the correct way to account for this transaction is:
 - A. Dr - Credit losses recovered; Cr – Bank.
 - B. Dr - Accounts receivable; Cr – Bank.
 - C. Dr - Bank; Cr - Accounts receivable.
 - D. Dr - Bank; Cr - Credit losses recovered.
 - E. None of the above
4. In which statement will the rent received be recorded?
 - A. Statement of profit or loss and other comprehensive income.
 - B. Statement of financial position.
 - C. Statement of Cash outflow.
 - D. Statement of Changes in Equity
 - E. None of the above
5. Which of the following formulas represents the accounting equation?
 - A. $\text{Income} - \text{Expenses} = \text{Profit}$.
 - B. $\text{Owner's equity} = \text{Assets} - \text{Liabilities}$.
 - C. $\text{Assets} = \text{Owner's equity} - \text{Liabilities}$.
 - D. $\text{Liabilities} = \text{Assets} + \text{Owner's equity}$.
 - E. None of the above

6. What is the main purpose of financial accounting?
- A. Organize financial information.
 - B. Provide useful, financial information to users.
 - C. Keep track of Company expenses.
 - D. Minimize company taxes.
 - E. None of the above
7. A company purchased a motor vehicle costing N\$200,000 by paying N\$50,000 cash and the balance on credit. Which is the correct effect on the accounting equation?
- A. Assets increase by N\$200,000; Assets decrease by N\$50,000; Liabilities increase by N\$150,000
 - B. Assets increase by N\$150,000; Equity increases by N\$50,000; Liabilities decrease by N\$150,000
 - C. Assets increase by N\$200,000; liabilities increase by N\$200,000
 - D. Assets increase by N\$50,000; Assets decrease by N\$200,000; liabilities increase by N\$150,000
 - E. None of the above
8. When balancing an asset ledger account, if the debit side exceeds the credit side, the account will show:
- A. A debit balance brought down
 - B. A credit balance brought down
 - C. A Profit or Loss balance
 - D. A Suspense account balance
 - E. No balance
 - F. None of the above
9. A company prepares a trial balance before adjusting entries. Which of the following transactions would typically require an adjustment?
- A. Depreciation of machinery
 - B. Cash sale of goods
 - C. Collection of accounts receivable
 - D. Cash payment of rent
 - E. None of the above
10. Which of the following errors will not be detected by the trial balance?
- A. Posting only one side of a transaction
 - B. Complete omission of a transaction
 - C. Recording unequal debit and credit amounts
 - D. A transposition error at ledger level
 - E. None of the above

PART B**10 Marks**

Match the description in Column A of the table below to the correct term or phrase in Column B. In your answer book, just write the number of the description in Column A to the matching Letter in Column B.

Please Note: The question has more items in Column B than in Column A. This means you will have some items without a matching number.

Column A	Column B
1. The assumption that the business will continue to operate in the future.	A. Classify and summarize transactions into accounts
2. The source document for a cash payment.	B. Debit Purchases, Credit Bank
3. Owner invests cash into the business.	C. Accounts Payable
4. Periodic Inventory system entry.	D. Test the equality of debits and credits
5. The trial balance is prepared to...	E. Debit Debtors, Credit Sales
6. A liability account.	F. Going Concern
7. Entry for goods bought for resale.	G. Accounts receivable
8. Entry for goods sold on credit.	H. Liabilities
9. Purpose of the general ledger.	I. Purchases
10. Obligations from past events, expected to result in outflow of economic benefit.	J. Receipt
	K. Capital
	L. Inventory
	M. Assets

Question 2**37 Marks**

Ms. Etosha has been operating as a dealer in home appliances, Etosha Homes. The following balances were extracted from her books on 31 March 2024, the end of her financial year:

Account	N\$
Capital	105,000
Sales	345,600
Purchases	187,950
Returns inwards	8,720
Returns outwards	14,320
Carriage inwards	9,460
Consumable expenses	7,210
Salaries and wages	32,430
Advertising	12,980
Discount allowed	3,110
Discount received	2,740
Rent	22,000
Rates	7,600
Insurance	9,400
Stationery	3,920
Water and Electricity	14,850
Repairs and maintenance	6,430
Credit losses written off	3,300
Allowance for credit losses	1,200
Bank	6,780
Telephone	2,140
Account Receivables	38,500
Accounts Payables	28,200
Delivery van – at cost	160,000
Accumulated depreciation – delivery van (31 March 2024)	64,000
Drawings	24,600
Inventory at 1 April 2023	20,700

Additional Information as at 31 March 2024:

1. Closing inventory was valued at N\$ 23,600.
2. Insurance includes a pre-paid portion of N\$ 1,400.
3. Rent is charged at N\$2,000 per month.
4. Further credit losses of N\$ 1,000 are to be written off.
5. The allowance for credit losses is to be adjusted to 5% of outstanding receivables.
6. A physical stock count at year-end revealed left over stationery worth N\$920.
7. Depreciation is to be provided on the delivery van at 10% per annum on cost.

Required:

- a) Prepare the necessary journal entries for the adjustments. Narrations are not required. (15 marks)
- b) Prepare the Statement of Profit or Loss for the year ended 31 March 2024 (show workings clearly). (22 marks)

Question 3

9 Marks

Answer the following questions:

- a) Mr. Chris is the owner and operator of Chris Enterprise, a motivational consulting business. At the end of the last accounting period on December 31, 2024, Chris Enterprise has assets of N\$880,000 and liabilities of N\$312,000.

Required: Use the accounting equation to calculate the balance of Owner's Equity for Chris Enterprise as at 31 December 2024. (2 Marks)

- b) ABC Ltd purchased a delivery van for N\$200,000. The company expects to use it for 5 years. The purchase was partly financed by a bank loan of N\$120,000. In the same year, ABC Ltd earned N\$500,000 in sales revenue and paid salaries of N\$150,000 to its employees.

Required: Using the definitions of the elements of financial statements, discuss whether the purchase of the delivery van should be classified as an asset or an expense. Give reasons to defend your answer. (5 marks)

- c) List and give one characteristic of one main form of business ownership. (2 Marks)

Question 4**24 Marks**

The following journals relate to the activities of Ebandulo Trading for the month of February 2025.

Ebandulo Trading

General Journal for the month of February 2025			
Date	Details	DR (N\$)	CR (N\$)
02/03/2025	Purchases	24,000.00	
	Bank		24,000.00
	Cash Purchases		
02/05/2025	Delivery Vehicles	20,000.00	
	Capital		20,000.00
	Owner contributed vehicle		
02/09/2025	Purchases	19,000.00	
	Accounts Payable: Boardwalk		19,000.00
	Credit purchases		
02/11/2025	Accounts Receivable: Muchless	42,000.00	
	Sales		42,000.00
	Credit sales		
15/02/2025	Purchases	18,000.00	
	Bank		18,000.00
	Cash Purchases		
19/02/2025	Sales returns	4,800.00	
	Accounts Receivable: Muchless		4,800.00
	Sales returns		
21/02/2025	Bank	70,000.00	
	Sales		70,000.00
	Cash sales		
24/02/2025	Accounts Payable: Boardwalk	2,500.00	
	Purchases returns		2,500.00
	Purchases returned		
26/02/2025	Purchases	27,000.00	
	Accounts Payable: Boardwalk		27,000.00
	Credit purchases		
	Purchases	33,000.00	
	Bank		33,000.00
	cash purchases		
28/02/2025	Accounts Receivable: Muchless	24,000.00	
	Sales		24,000.00
	Credit sales		

Required:

Prepare the following general ledger accounts for the month of February 2025:

Bank Account Ledger, Accounts Receivable: Muchless Ledger, Accounts Payable:

Boardwalk Ledger, Purchases Ledger and Sales Ledger

(24 Marks)*End of Question Paper*