



NAMIBIA
UNIVERSITY
OF SCIENCE AND
TECHNOLOGY

HP-GSB
HAROLD PUPKEWITZ
Graduate School of Business

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

CENTER FOR ENTERPRISE DEVELOPMENT (CED)

QUALIFICATION: DIPLOMA IN BUSINESS PROCESS MANAGEMENT	
QUALIFICATION CODE: 06DBPM	LEVEL: 6
COURSE CODE: BAC611C	COURSE NAME: BUSINESS ACCOUNTING 2A
SESSION: NOVEMBER 2025	PAPER: THEORY AND CALCULATIONS (PAPER 2)
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER

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MODERATOR	Gerhardt Sheehama

INSTRUCTIONS

1. This question paper is made up of four (4) questions.
2. Answer **ALL** the questions in blue or black ink only. **NO** pencil
3. Start each question on a new page in your answer booklet and **show all workings**.
4. Work with whole numbers in all your calculations and round off only final answers to two (2) decimal places unless otherwise stated.
5. 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 ambiguity & any assumption 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)

QUESTION 1

[20 MARKS]

For questions 1.1 – 1.10, write the answer only (the correct letter chosen) in your answer sheet/answer book and not on the question paper.

- 1.1 The journal entry for credit sales of goods to accounts receivable is:
- a) sales Dr. & Accounts Receivable Cr.
 - b) accounts Receivable Dr. & Sales Cr.
 - c) cash Dr. & Sales Cr.
 - d) sales Dr. & Accounts Payable Cr.
- 1.2 The cash discount (also known as purchase discount or sale discount) is given to customers for:
- a) early payments
 - b) the bulk purchases
 - c) frequent purchases
 - d) good business relations
- 1.3 The accounts receivable that cannot be collected because of their bankruptcy or another reason are termed:
- a) collectible accounts
 - b) bad customers
 - c) doubtful accounts
 - d) uncollectible accounts
- 1.4 Accounts receivables are reported in the statement of financial position:
- a) at face value
 - b) at gross value
 - c) at net realizable value
 - d) at net credit sales value
- 1.5 A soundly developed conceptual framework of concepts and objectives should
- a) increase financial statement users' understanding of and confidence in financial reporting.
 - b) enhance comparability among companies' financial statements.
 - c) allow new and emerging practical problems to be more quickly solved.
 - d) all the above
- 1.6 The underlying theme of the conceptual framework is
- a) decision usefulness.
 - b) understandability.

- c) reliability.
 - d) comparability.
- 1.7 Which of the following is not among the ingredients of the fundamental quality of faithful representation?
- a) freedom from error.
 - b) neutrality.
 - c) materiality.
 - d) completeness.
- 1.8 Enhancing qualities of accounting information include:
- a) comparability and verifiability.
 - b) relevance and consistency.
 - c) comparability and materiality.
 - d) relevance and faithful representation.
- 1.9 Enhancing qualities of accounting information include all of the following except:
- a) comparability.
 - b) understandability.
 - c) neutrality.
 - d) timeliness.
- 1.10 An ingredient of relevance is:
- a) freedom from error.
 - b) neutrality.
 - c) comparability.
 - d) materiality.

[10 x 2 marks = 20 marks]

QUESTION 2**[32 MARKS]**

Visagie and Shitaleni are in partnership. They share profits and losses in the ratio of 60:40, respectively. The following is their trial balance as at 30 September 2025.

		Dr (N\$)	Cr (N\$)
Buildings (cost N\$105 000)		80,000	
Fixtures at cost		4,100	
Provision for depreciation:	Fixtures		2,100
Accounts receivables		30,700	
Accounts payable			13,295
Cash at the bank		3,065	
Inventory at 30 September 2025		31,370	
Sales			181,556
Purchases		105,000	
Carriage outwards		1,705	
Discounts allowed		310	
Loan interest:	P Prince	1,950	
Office expenses		2,380	
Salaries and wages		28,905	
Bad debts		816	
Allowance for doubtful debts			700
Loan from P Prince			32,500
Capitals:	Visagie		50,000
	Shitaleni		37,500
Current accounts:	Visagie		2,050
	Shitaleni		600
Drawings:	Visagie	15,900	
	Shitaleni	14,100	
		320,301	320,301

Additional information

Inventory, 30 September 2025, N\$37,105	Reduce provision of doubtful debts to N\$625
Expenses to be accrued: Office expenses N\$108 and wages N\$360	Depreciation: Fixtures 15% on a reducing balance basis and buildings N\$2 500
Partnership salary: N\$15,000 to Julitha. Not yet entered	Interest on drawings: Visagie N\$450 and Shitaleni N\$300
Interest on capital account balances at 5%	

REQUIREMENT:		MARKS
a)	Prepare the partnership statement of profit/loss	20
b)	Prepare the partnership profit/loss appropriation account	12

QUESTION 3**[20 MARKS]**

Diesel-Electric (DE) is one of the biggest suppliers of automotive products in Namibia. They offer a vast range of services such as automotive air conditioning, auto workshop, battery testing & recharging, Bosch service training, automotive computer diagnostics, and much more. With branches in Windhoek, Otjiwarongo, Tsumeb, Oshakati, Swakopmund, and Walvis Bay they provide services in most parts of Namibia. Below is the abridged statement of financial position of DE for the year ended 28 February 2025.

	2024	2023
Non-current assets		
Buildings	500,000	500,000
Fixtures	200,000	180,000
Motor vehicles	547,000	289,000
Current assets		
Inventory	841,000	300,000
Receivables	597,000	486,000
Bank	15,000	345,000
Total assets	2,700,000	2,100,000
Equity:		
Capital	1,610,000	1,550,000
Additional capital	250,000	
Profit for the year	790,000	680,000
Less: Drawings	-780,000	-620,000
	1,870,000	1,610,000
Liabilities		
Creditors	204,000	290,000
Bank Overdraft	126,000	-
Loans	500,000	200,000
Total equity and liabilities	2,700,000	2,100,000

- Fixtures bought in 2024 cost N\$40 000 and a motor vehicle was also bought for exactly N\$400 000.

REQUIREMENT		MARKS
a)	Draw up the statement of cash flows of Diesel Electric for the year ended 28 February 2024 using the indirect method.	13
b)	Highlight any three (3) uses of a statement of cash flows	3
c)	Explain any two (2) limitations of a cash flow statement	4

QUESTION 4**[28 MARKS]**

Established on 29 October 1920, Namibia Breweries Limited (NBL) is one of the leading beverage manufacturing companies in Namibia and, by extension, in the entire Southern African region. Today, NBL leads the domestic beer market and has a significant share of the premium beer category in South Africa. You have been provided with the financial statements of NBL for the year ended 30 June 2025.

Statement of financial position as at 30 June 2023

	2024	2023
	N\$'000	N\$'000
ASSETS		
Non-current assets- Net plant and equipment	19 167	15 164
Current assets		
Inventory	4 906	4 608
Accounts receivable	2 510	2 405
Cash	906	815
Total current assets	8 322	7 828
TOTAL ASSETS	27 489	22 992
EQUITY AND LIABILITIES		
Share capital	10 000	10 000
Retained profit	10 209	6 367
Total equity	20 209	16 367
Non-current liabilities		
Long-term borrowings	4 960	4 817
Current liabilities		
Trade and other payables	1 480	1 088
Short-term borrowings	840	720
Total current liabilities	2 320	1 808
TOTAL EQUITY AND LIABILITIES	27 489	22 992

Statement of profit or loss for the year ended 30 June 2025

	2024	2023
	N\$'000	N\$'000
Revenue	33 500	29 150
Cost of sales	18 970	16 290
Depreciation	1 980	1 650
Profit Before Interest and Tax	12 550	11 210
Interest paid	486	463
Net profit before tax	12 064	10 747
Taxes	4 222	3 761
Net profit after tax	7 842	6 986
Dividends	4 000	4 000
Additions to retained profits	3 842	2 986

REQUIREMENT: assume a 365-day year, compute the following ratios for 2023 and 2024 and also comment on whether the ratio has improved or deteriorated.		MARKS
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
f)	Return on Equity (ROE)	4
g)	Explain any two (2) limitations of ratio analysis	4

END OF EXAMINATION QUESTION PAPER