



**PAMIBIA UNIVERSITY**  
**OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

**DEPARTMENT: ACCOUNTING, ECONOMICS AND FINANCE**

<b>QUALIFICATION:</b> Bachelor of Accounting/ Bachelor of Accounting Chartered	
<b>QUALIFICATION CODE:</b> 07BOAC/07BACC	<b>LEVEL:</b> 7
<b>COURSE:</b> Computerised Accounting 301	<b>COURSE CODE:</b> CAC710S
<b>DATE:</b> July 2023	<b>SESSION:</b> Practical
<b>DURATION:</b> 3 Hours	<b>MARKS:</b> 106 Available. MAX: 100

**SECOND OPPORTUNITY EXAMINATION QUESTION PAPER**

<b>EXAMINER(S)</b>	Y. Elago & E. Kangootui
<b>MODERATOR:</b>	E. Milijala

**INSTRUCTIONS**

1. This exam paper is made up of three questions.
2. Make sure that your student number appears on all reports. **(Computer printed)**
3. It is the student's responsibility to ensure that all reports are handed in.
4. Use of internet or any communication devices is strictly prohibited.
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 ambiguities & any assumption made by the candidate should be clearly stated.
6. Round of all calculations to the nearest two decimal place.

**THIS QUESTION PAPER CONSISTS OF 8 PAGES (Excluding this front page)**

**You are required to create a new company on the “C” drive, using the following information.**

Company Name : Student Number

Postal Address : P/Bag 5338

: Windhoek

Bankers : Capitec Ltd

Tax Processing (customers & suppliers) 15% (assume all amounts are exclusive, unless otherwise stated)

Supplier Processing : **No GRN, No Purchase and Sales orders**

**Question 1**

**(46 Marks)**

**Background:**

You are offered a position as the accountant of **Timber Store (Pty) Ltd (VAT Vendor)**, established a few years back by Mrs Verony, with a financial reporting date of 31 May each year. The store sells furniture to residents in Divundu and around the country. During the current financial period the owner made a resolution to migrate from the old accounting system to a newly acquired system (Sage Pastel Partner V19). The company sells on a cash and credit basis. To encourage cash sales, a 2.5% cash discount is allowed to all customers.

**CUSTOMERS**

Code	HO001	FAI002	JO003
Name	Hope	Faith	Joy
Postal address	P/Bag 1	P O Box 2	P O Box 3
Credit limit	N\$40 000	N\$ 60 000	N\$80 000
Contact person	Nangula	Frieda	Kapandu
Category	Credit	Credit	Credit

## SUPPLIERS

Code	WO01	FU02	FI03
Name	Wood cc	Furniture cc	Fitting cc
Postal address	P O Box 4	P O Box 5	P O Box 6
Credit limit	N\$100 000	N\$ 40 000	N\$80 450
Contact	Penny	Tuna	Jacky

## INVENTORY

Inventory Item	Selling Price N\$	Quantity on hand
Wooden Shelves	18 000	15
Executive Chairs	28 500	-
Varnished tables	19 500	14

**It is the company's policy to sell all inventory at a 20% mark-up. The company uses the periodic inventory system to account for inventory.**

A list of account balances was extracted by the assistant accountant from the old system. The owner of the firm requested you to process opening balances of the firm for the new accounting program as at 1<sup>st</sup> June 2021.

<b>Accounts balances as at 1<sup>st</sup> June 2021:</b>	<b>Notes</b>	<b>N\$</b>
Property, Plant & Equipment	1	828 000
Accounts payables	2	88 600
Accounts receivables	3	79 300
Operating expenses	4	116 210

Cash and cash equivalents	5	91 330
Other account balances	6	48 210
10 % Mortgage Loan -FNB		100 000
Value of furniture on hand		64 930
Income from furniture		350 860
Purchase of furniture		169 000

**Notes to opening balances.**

<b>1. Property, Plant &amp; Equipment</b>	<b>828 000</b>
Toyota bakkie & Dyna Lorry	250 000
Warehouse block	350 000
Trademark	48 000
Woodwork Machinery	75 000
Office furniture	105 000
<b>2. Accounts receivables</b>	<b>79 300</b>
Hope (HO01)	34 100 Dr
Faith (FA02)	47 800 Cr
Joy (JO03)	?????
<b>3. Accounts payables</b>	<b>88 600</b>
Wood cc (WO01)	19 470 Cr
Furniture cc (FU02)	?????
Fitting cc (FI03)	54 580 Dr
<b>4. Operating expenses</b>	<b>116 210</b>
Employees cost	45 000

Rent	19 800
Interest paid on loan	15 000
Insurance	26 850
Office stationery	9 560
<b>5. Cash and cash equivalent</b>	<b>91 330</b>
Capitec Ltd	53 410
8% Fixed deposit	37 920
<b>6. Other accounts balance</b>	<b>48 210</b>
Prior year's profit	28 710
Allowance for doubtful debts	19 500
Loan to Mrs Verony	15 800

### Owner's Equity & Share Capital

Authorised share capital of Timber (Pty) Ltd is 600 000 ordinary shares of N\$2.30 per share. Total value of unissued shares capital is MUR 575 000 000.

NB: exchange rate as at that date shows N\$1.00 = MUR940

The number of shares must be rounded to the whole number.

Property, Plant and Equipment are depreciated using the straight-line method:

Intangible assets are not depreciated.

Non- current assets	Date acquired	Residual value	Useful life
Warehouse block	1 August 2020	-----	20 years
Motor Vehicle	30 September 2020	N\$ 20 000	5 years
Trademark	31 March 2021	N\$ 15 000	5 years
Woodwork Machinery	1 February 2021	N\$ 10 000	5 years
Office furniture	30 April 2020	N\$ 18 000	5 years

**Required:**

1. Name and Explain any Three Advantages of Computerised Accounting.  
(Make sure you are provided with the answer sheet for this Question)
2. You are required to process opening balances of Timber (Pty) Ltd accounts, including **accumulated depreciation** for all non-current assets, as at 1<sup>st</sup> June 2021 (**Period one**). Assume all the above accounts have a normal balance for that element.
3. Update all batches and move on to the next question.

**YOU ARE NOT REQUIRED TO PRINT ANY REPORT AT THIS STAGE**

**Question 2**

**(20 Marks)**

**1 Supplier Processing**

The business bought and processed all the inventory items from all the suppliers as follows:

- 1.1 Wood cc - Bought 8 wooden shelves & 9 executive chairs. 5% trade discount received on wooden Shelves.
- 1.2 Furniture cc – Bought 22 varnished tables & 6 executive chairs. invoice cash discount of 2.5% received.
- 1.3 Fitting cc – Returned 6 damaged wooden shelves.

**2 Customer Processing**

- 2.1 Hope - Sold 12 varnished tables, 3 executive chairs & 4 wooden Shelves, 1.5% invoice cash discount granted.
- 2.2 Faith - Sold 2 executive chairs & 2 wooden shelves.
- 2.3 Hope - Returned 3 damaged varnished tables and which was eventually returned to the supplier immediately due to a manufacture defect.
- 2.4 Faith - Sold an executive chair and a wooden shelf.

Some clients requested their furniture to be varnished. Twenty-three different furniture items were varnished at a rate of N\$40 per hour and it took 18 min per item and received cash.

**Required:**

Process the above transactions in period 2, July 2021, update all batches and move on to the next question.

**YOU ARE NOT REQUIRED TO PRINT ANY REPORT AT THIS STAGE**

### Question 3

(50 Marks)

The following transactions have not yet been processed.

1. Debenture worth, N\$45 850, was purchased on 1 January 2022 from Trustco Namibia. The interest rate is 8.5% per annum.
2. Received N\$8 000 from a debtor: Eros Primary School (ER04) whose account had been written off as irrecoverable.
3. **Timber (Pty) Ltd** sublet part of its basement parking area to Easy Car Wash, with a rental income of N\$4 000 per month receivable on the 1<sup>st</sup> of each month. Rent for the current year has not been received.
4. One of the company's loyal customers, Faith, was declared as insolvent on 1<sup>st</sup> of August 2020, the company managed to receive a Photo copier valued at N\$ 13 740 (useful life of 5 years) from the debtor's assets and the remaining balance was expensed.
5. A vehicle worth N\$69 000, VAT inclusive was purchased on 1<sup>st</sup> Oct 2021 on credit from Indongo Toyota (**IND001**). No entries in respect of this vehicle, have been considered.
6. A sales invoice to Toivo Enterprises with a value of N\$8 500 was not recorded in the books of **Timber (Pty) Ltd**
7. Interest on the bank overdraft amounted to N\$105, not yet paid.
8. Cash drawings by Mrs Verony N\$2 170 were treated as cash purchase in error.
9. A payment of N\$2 350 to a supplier Furniture cc was incorrectly processed on supplier Fitting cc's account.
10. The board Chairman was given inventory at the sales value of N\$25 000.00 as part of his remuneration. All inventory items sold based on a 20% mark-up.
11. Inventory with a sales value of N\$10 000.00 was used for end of year staff party.



12. The company auditors discovered an amount of N\$15 400 for audit fees incorrectly debited to discount received account.
13. The Receiver of Revenue determined the company income tax for the year was N\$48 000, payable next month.
14. The allowance for irrecoverable debts was set at N\$15 000 at year-end.
15. Provide the necessary adjustment for interest on financial assets and financial liabilities in the financial period and depreciation on all non-current assets at year-end.

**Required:** Process the above transactions in period 12, May 2021, update all batches and print out the following reports:

1. A **detailed ledger** for Timber Stores (Pty) Ltd.  
(View – General ledger – Transaction – Detailed ledger)
  - **Period 1 – period 12**
2. Print out the following detailed ledgers.
  - **Customers: View – Customers – Detailed ledger – By customer**
  - **Suppliers: View – Suppliers – Detailed ledger – By supplier**
  - **Period: 1 – Period 12**

=====End of Final Assessment=====