



NAMIBIA UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION : Bachelor of Informatics	
QUALIFICATION CODE: 07 BAIF	LEVEL: 5
COURSE CODE: BAI620S	COURSE NAME: BUSINESS ACCOUNTING FOR INFORMATICS
SESSION: January 2023	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100 marks

SECOND OPPORTUNITY EXAMINATION – QUESTION PAPER	
EXAMINER(S)	Ms M E Cloete
MODERATOR	Ms Y Andrew

INSTRUCTIONS
<ol style="list-style-type: none">1. This paper consists of FIE pages. If your paper does not contain all the pages, please put up your hand so that a replacement paper can be handed to you.2. Answer ALL questions in blue or black ink only.3. Write clearly and neatly.4. Number each answer clearly.5. No programmable calculators are allowed.6. Show all workings clearly.7. Round numbers to the nearest whole number.8. Questions relating to the paper 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.9. Delete all open spaces on your answer sheets with pen. Pages on your answer sheet that contain pencil or tippex will be marked as such and will not be eligible for a remark.10. Read questions carefully, if you need to provide explanations, you should always use full sentences, refrain from simply naming facts.11. Any resemblance to any people, places, organisations or anything are purely coincidental.

QUESTION 1

(22 MARKS)

- a) Explain the difference between external auditors and internal auditors. (4 marks)
- b) List and explain the differences between Management Accounting and Financial Accounting. Provide your answer in a comparative format. (12 Marks)
- c) Explain the following accounting concepts: (3 marks)
- Periodicity concept
 - Materiality concept
 - Going concern concept
- d) Define the various source documents below: (3 marks)
- Quotation
 - Purchase order
 - Credit note

QUESTION 2

(57 Marks)

Riley (Pty) Ltd is a company that has a 31 December 2022 year end. Riley, the owner of the entity, started her business in 2017 and has been successfully been running her business since. As you have been looking for a vacation job during your university break, Riley offered to hire you as a temporary accountant and assist her with her records.

However, after having a look at the accounting records, you came across the following errors:

1. Sales made on credit to a customer of N\$5 000 was recorded as N\$500 in the receivables account. The amount of sales is correct.
2. The rent expenses was undercast by N\$800.
3. The sales account was debited with an amount of N\$300, instead of credited with N\$300.
4. Goods purchased on credit was not recorded in the payables account, to the value of N\$4000. It was posted correctly to the inventory account.
5. The salaries and wages balance was not taken into account at all.

6. There are 365 days in the year for the company.
7. All sales and purchases made are on credit.
8. Ignore VAT for the entire question.

	N\$
Land and Buildings	100 000
Inventory	17 600
Rent	3 500
Interest received	200
Trade payables	11 000
Trade receivables	9 000
Sales	53 000
Cost of sales	22 000
Electricity	15 500
Capital	24 500
Loan	95 000
Vehicles	28 000
Drawings	13 000
Bank	25 000

- a) Prepare the trial balance for the entity as at 31 December 2022, after factoring in the various adjustments. (20 marks)
- b) Prepare the statement of profit and loss for the entity for the period ended 31 December 2022. (9 marks)
- c) Prepare the statement of financial position for the entity as at 31 December 2022. (18 marks)
- d) Using the financial statements provided below, calculate the following ratios:

<u>Statement of Comprehensive Income of Rolande for the period ending 31 December 2021.</u>	
Sales	769 200
Cost of sales	(453 000)
Gross Profit	316 200
Insurance	(63 900)
Depreciation	(21 200)
Profit for the year	231 100

Statement of Financial Position for Rolande as at 31 December 2021		
<u>Assets</u>		
<u>Non current Assets</u>		<u>470 000</u>
Equipment	320 000	
Land	150 000	
<u>Current Assets</u>		<u>57 700</u>
Inventory	7 700	
Trade receivables	50 000	
Total Assets		527 700
Equity and Liabilities		
<u>Equity</u>		<u>321 600</u>
Capital	90 500	
Net profit	231 100	
<u>Non Current Liabilities</u>		<u>187 200</u>
Loan	187 200	
<u>Current Liabilities</u>		<u>18 900</u>
Trade payables	10 900	
Bank overdraft	8 000	
Total Liabilities		206 100
Total Equity and liabilities		527 700

- Current ratio (2 marks)
- Net profit margin (2 marks)
- Return on assets (2 marks)
- Creditors payment period (2 marks)
- Debtors turnover period (2 marks)

Question 3

(21 Marks)

- a) Provide 4 examples of items that are zero rated for VAT purposes. (4 Marks)
- b) Rolande Trading, is a sole trader, that specializes in the supply and provision of gardening equipment and services for households and corporates. Rolande Trading is a registered VAT vendor, and you have been provided with the following transactions for the month of November 2022:
1. The entity performed gardening services for a customer (who is not a registered VAT vendor) for the amount of N\$5300 (excluding VAT). The customer paid cash.
 2. The owner decided to have a party for the staff as they had been working really hard. The total value of the supplies is N\$3400 including VAT, purchased from Party World (a VAT vendor).
 3. The entity purchased gardening equipment from MegaBuild Pupkewitz, for N\$6700 (including VAT). Megabuild is a registered VAT vendor.
 4. Paid salaries and wages to employees for N\$18 000.

Required:

- i. Prepare the journal entries for all the above transactions. (10 marks)
- ii. Prepare the VAT control account in the general ledger for the above transactions, including the closing off of the account and carrying over. (6 marks)
- iii. State whether VAT is a receivable or payable and what the amount is. (1 mark)

END OF QUESTION PAPER!

