



# NAMIBIA UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

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| <b>QUALIFICATION : Bachelor of Informatics</b> |   |
| <b>QUALIFICATION CODE:</b> 07 BAIF             | <b>LEVEL:</b> 5   |
| <b>COURSE CODE:</b> BAI620S                    | <b>COURSE NAME:</b> BUSINESS ACCOUNTING FOR INFORMATICS |
| <b>SESSION:</b> November 2022                  | <b>PAPER:</b> THEORY AND CALCULATIONS                   |
| <b>DURATION:</b> 3 HOURS                       | <b>MARKS:</b> 100 marks                                 |

|   |               |
|---|---------------|
| <b>FIRST OPPORTUNITY FINAL EXAMINATION - QUESTION PAPER</b> |               |
| <b>EXAMINER(S)</b>  | Ms M E Cloete |
| <b>MODERATOR</b>  | Ms Y Andrew   |

| <b>INSTRUCTIONS</b>  |
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| <ol style="list-style-type: none"><li>1. This paper consists of FIVE 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.</li><li>2. Answer ALL questions in blue or black ink only.</li><li>3. Write clearly and neatly.</li><li>4. Number each answer clearly.</li><li>5. No programmable calculators are allowed.</li><li>6. Show all workings clearly.</li><li>7. Round all numbers to the nearest whole number.</li><li>8. Questions relating to the paper may be raised in the <b>initial 30 minutes</b> after the start of the paper. Thereafter, candidates must use their initiative to deal with any perceived error or ambiguities &amp; any assumption made by the candidate should be clearly stated.</li><li>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.</li><li>10. Read questions carefully, if you need to provide explanations, you should always use full sentences, refrain from simply naming facts.</li><li>11. Any resemblance to any people, places, organisations or anything are purely coincidental.</li></ol> |

**QUESTION 1****(22 MARKS)**

- a) List the 4 branches of Accounting? (4 marks)
- b) Explain the following accounting concepts: (3 marks)
- Entity concept
  - Money measurement concept
  - Going concern concept
- c) Provide the different types of business forms in Namibia and name one advantage and one disadvantage of each business form. Provide your answer in a tabular format as below:

(12 Marks)

| Business Type | Advantage | Disadvantage |
|---------------|-----------|--------------|
| (4 marks)     | (4 marks) | (4 marks)    |

- d) Define the various source documents: (3 marks)
- Goods received note
  - Invoice
  - Petty cash voucher

**QUESTION 2****(54 Marks)**

Zenna (Pty) Ltd is a company that has a 31 December 2021 year end. Miss Zenna, owner of the entity, asked you, a newly qualified accounting student at NUST, to help prepare the financial statements for the entity.

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

1. Sales made on credit to a customer of N\$3 000 was recorded as N\$300 in the receivables account. The amount of sales is correct.
2. The telephone expenses was undercast by N\$500.
3. The sales account was debited with an amount of N\$100, instead of credited with N\$100.
4. Goods purchased on credit was not recorded in the payables account, to the value of N\$3000. It was posted correctly to the inventory account.
5. The bank 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.

|                    | <b>N\$</b> |
|--------------------|------------|
| Land and Buildings | 90 000     |
| Inventory          | 15 500     |
| Telephone          | 2 000      |
| Discount received  | 500        |
| Trade payables     | 9 000      |
| Trade receivables  | 7 000      |
| Sales              | 48 000     |
| Cost of sales      | 16 000     |
| Salaries and wages | 13 500     |
| Capital            | 22 500     |
| Loan               | 100 000    |
| Vehicles           | 22 000     |
| Drawings           | 10 000     |

- a) Prepare the trial balance for the entity as at 31 December 2021, after factoring in the various adjustments. (18 marks)
- b) Prepare the statement of profit and loss for the entity for the period ended 31 December 2021. (8 marks)
- c) Prepare the statement of financial position for the entity as at 31 December 2021. (18 marks)
- d) Using the financial statements provided below, calculate the following ratios:

| <b><u>Statement of Comprehensive income of Barrier Limited for the year ended 31 December 2021.</u></b> |          |
|---|----------|
| Sales   | 200 000  |
| Cost of sales   | (90 000) |
| Gross Profit  | 110 000  |
| Interest income   | 7 000    |
| Electricity   | (2 500)  |
| Rent  | (20 500) |
| Profit for the year   | 94 000   |

| <b>Statement of Financial Position of Barrier Limited as at 31 December 2021.</b> |         |                |
|---|---------|----------------|
| <b>Assets</b>   |         |                |
| <u>Non current Assets</u>   |         | <b>170 000</b> |
| Land and Buildings  | 120 000 |                |
| Vehicles  | 50 000  |                |
|   |         |                |
| <u>Current Assets</u>   |         | <b>51 000</b>  |
| Inventory   | 25 700  |                |
| Trade receivables   | 16 300  |                |
| Bank  | 9 000   |                |
| <b>Total Assets</b>   |         | <b>221 000</b> |
|   |         |                |
| <b>Equity and Liabilities</b>   |         |                |
| <u>Equity</u>   |         | <b>184 000</b> |
| Capital   | 90 000  |                |
| Net profit  | 94 000  |                |
|   |         |                |
| <u>Non Current Liabilities</u>  |         | <b>25 600</b>  |
| Loan  | 25 600  |                |
|   |         |                |
| <u>Current Liabilities</u>  |         | <b>11 400</b>  |
| Trade payables  | 11 400  |                |
| <b>Total Liabilities</b>  |         | <b>37 000</b>  |
|   |         |                |
| <b>Total Equity and liabilities</b>   |         | <b>221 000</b> |
|   |         |                |

- Current ratio (2 marks)
- Gross profit margin (2 marks)
- Net profit margin (2 marks)
- Debtors' collection period (2 marks)
- Days stock on hand (2 marks)

**Question 3**

**(24 Marks)**

- a) Explain what the difference between input VAT (Value Added Tax) and output VAT is. (2 Marks)
- b) Provide 2 examples of items that are exempt for VAT purposes. (2 Marks)
- c) Nanna Trading, is a sole trader, that specializes in the supply and provision of building equipment and services for construction purposes. Nanna Trading is a registered VAT

vendor, and you have been provided with the following transactions for the month of October 2021:

1. The entity performed repair services for a customer (who is not a registered VAT vendor) for the amount of N\$2700 (excluding VAT). The customer paid cash.
2. The owner bought milk, coffee and sugar for the employees of the entity, to consume during office hours. The total value of the supplies is N\$180 including VAT, purchased from Checkers (a VAT vendor).
3. The entity purchased spare parts for repairs from Build It, for N\$3500 (including VAT). Build It is a registered VAT vendor.
4. Paid salaries and wages to employees for N\$15 000.
5. The entity performed repairs on a window for a customer on credit. The total amount owing by the customer is N\$1 700 (including VAT).

Required:

- i. Prepare the journal entries for all the above transactions. (13 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. (7 marks)

**END OF QUESTION PAPER!**



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2022 -10- 19

A handwritten signature in black ink, appearing to read 'J. J. ...', is written over a horizontal line.

HOD: ACCOUNTING,  
ECONOMICS AND FINANCE