



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

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

**DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE**

<b>COURSE CODE:</b> BAC1100S	<b>COURSE NAME:</b> BUSINESS ACCOUNTING 1A
<b>SESSION:</b> OCTOBER / NOVEMBER 2025	<b>PAPER:</b> THEORY AND CALCULATIONS
<b>DURATION:</b> 2 HOURS	<b>MARKS:</b> 80
<b>SUPPLEMENTARY EXAMINATION</b>	
<b>EXAMINER</b>	MR B. PETRUS
<b>MODERATOR:</b>	MRS Y. VAN WYK
<b>INSTRUCTIONS</b>	
<ol style="list-style-type: none"><li>1. Answer ALL the questions on the answer sheet</li><li>2. The paper consists of 48 Questions</li><li>3. Read all the questions carefully before answering.</li><li>4. All questions count for one mark unless otherwise indicated</li><li>5. There is only one correct option, the shading of more than one option will be marked as incorrect</li><li>6. Make sure to shade your student number correctly</li></ol>	

**THIS QUESTION PAPER CONSISTS OF 14 PAGES (Including this front page)**

**Section A: Accounting Theory and equation (11 Marks)**

1. **Why would employees be interested in the company's financial status?**
  - a. It indicates a possible increase in their pay checks.
  - b. It affects employees' sense of job security.
  - c. It guarantees the company will invest more in employee benefits.
  - d. It indicates how productive their work has been.
2. **Djokovic is the Chief Financial Officer for InfoTech Inc. Murray is the Chief Lending Officer at the Bank where InfoTech has a large bank loan. Which statement is true for both Djokovic and Murray, in connection with the accounting information for InfoTech?**
  - a. Both are external users
  - b. Djokovic is an internal user and Murray is an external user
  - c. Both are internal users
  - d. Murray is an internal user and Djokovic is an external user
3. **Which of the following persons can be an owner of a close corporation?**
  - a. Silver Works (Pty) Ttd
  - b. Jack and Jill CC
  - c. Gold Rush Ltd
  - d. An individual
4. **Which principle dictates that all data should be captured in such a way that the debit/credit principle is applied?**
  - a. Matching principle
  - b. Periodicity principle
  - c. Duality principle
  - d. Prudence principle
5. **The concept "understandability" refers to:**
  - a. Information should be understandable to all users, even though this may be a challenge, as financial information may be complex.
  - b. Information should be understandable by most users, based on the assumption that users are familiar with accounting
  - c. Information should be understandable, as it is used for further planning.
  - d. None of the above options.
6. **The Prudence concepts means:**
  - a. Provides that all significant information must be included in the financial statements, while items which are not significant need not be shown separately in the financial statement.
  - b. Provides that that income and expenses are recognized and recorded in the correct time period

- c. Provides that accountants should be conservative in the preparation of financial statements and should take care not to overstate assets or income and not to understate liabilities and expenses.
  - d. Is a collection of rules and procedures and guidelines for accountants to follow when recording and reporting financial information
7. **The accounting equation can be presented as:**
- a.  $\text{Assets} = \text{Liabilities} - \text{Owner's Equity}$
  - b.  $\text{Liabilities} = \text{Assets} + \text{Owners' Equity}$
  - c.  $\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$
  - d.  $\text{Owner's Equity} = \text{Assets} + \text{Liabilities}$
8. **Which of the following statements is true about the accounting equation?**
- a. The accounting equation represents that the sources in a business are not equal to the resources of that business
  - b. The accounting equation represents that the sources in a business are equal to the resources of that business
  - c. The accounting equation represents that the resources are allocated to the business at cost price
  - d. None of the above
9. **The owner's equity of a sole trader will change as a result of:**
- a. A credit customer paying by cheque
  - b. Raw materials being purchased on credit
  - c. Non-current assets being purchased on credit
  - d. Personal petrol being paid for out of the business's petty cash
10. **A sole trader purchases furniture on credit. Which elements of the accounting equation will change due to the transaction?**
- a. Assets and liabilities
  - b. Assets and capital
  - c. Capital and liabilities
  - d. Assets only
11. **A sole trader borrows N\$10,000 to the bank. Which elements of the accounting equation will change due to this transaction? (2 marks)**
- a. Assets and liabilities
  - b. Assets and capital
  - c. Capital and liabilities
  - d. Assets only

**Section B: Source Documents and Journals (8 marks)**

12. **A credit sale is made to a customer, which accounting document is issued to the customer, and in what journal do you record the transaction (2 marks)**
- Invoice recorded in the sales journal
  - Goods received note recorded in the general journal
  - Credit Note recorded in the general journal
  - Cash Receipt recorded in the cashbook
13. **Goods are ordered from a supplier. What accounting document is prepared?**
- Invoice
  - Sales order
  - Goods received note
  - Purchase order
14. **The following transaction took place. Which source document was issued and in which journal is the transaction recorded? "Purchased goods from Alex Starts on credit" (2 marks)**
- Original invoice and cashbook
  - Duplicate invoice and cashbook
  - Duplicate invoice and purchase journal
  - Original invoice and purchase journal
15. **The Sales Journal is also known as the?**
- Debtors Ledger
  - Return Inward Book
  - Sales Day Book
  - General Journal
16. **Matthew is the delivery person for Nam Logistics. He delivered items to Jeffrey. The parties need to sign which document?**
- Purchase Order
  - Goods Received Note
  - Invoice
  - Credit Note
17. **What is common about source documents?**
- The bookkeeper's name, the amount, a transaction date, a reference number
  - A transaction date, the amount, a description of the transaction, the document number
  - The amount, the names of both businesses, a date, a description of the transaction
  - None of the above

### Section C: General Ledger (13 Marks)

This information relates to Questions 18 to 20. You are given the following totals of the books of first entry for JEANS CC. Additionally, the following accounts had opening balances as of April 1, 2025.

- The bank had a positive balance of N\$39,000
- Suppliers, N\$18,900
- Customers: N\$10,000
- Value Added Tax: N\$4,000 credit

#### Purchases Journal

- Total for Suppliers: N\$19,205
- Total for Purchases: N\$15,000
- Total for Stationery: N\$1,700
- Total for VAT: N\$2,505

#### Purchases Return Journal

- Total for Suppliers: N\$17,825
- Total for Purchases: N\$15,500
- Total for VAT: N\$2,325

#### Sales Journal

- Total for customers: N\$9,200
- Total for Sales: N\$8,000
- Total for VAT: N\$1,200

#### Cash Receipt Journal

- Bank: N\$19,850
- Customers: N\$7,200
- Sales: N\$11,000
- VAT: N\$1,650

#### Cash Payment Journal

- Bank: N\$22,350
- Suppliers: N\$12,000
- Purchases: N\$4,000
- Rent paid: N\$5,000
- VAT: N\$1350.00

18. You are required to use the information provided and show the VAT account for the month of April 2025 (6 Marks)

Option a: Value-Added Tax

30 April	Suppliers	PJ1	2,325	1 April	Balance	b/d	4,000
	Bank	CRJ1	1,650	30	Suppliers	PJ1	2,505
	Customers	SJ1	1,200		Bank		1,350
	Balance	c/o	5,175				
			<b>7,855</b>				<b>7,855</b>

Option b: Value-Added Tax

30 April	Suppliers	PJ1	2,505	1 April	Balance	b/d	4,000
	Bank	CPJ1	1,350	30	Suppliers	PRJ1	2,325
	Balance	c/o	5,320		Customers	SJ1	1,200
					Bank	CRJ1	1,650
			<b>9,175</b>				<b>9,175</b>

Option c: Value-Added Tax

30 April	Purchases	PJ1	2,505	1 April	Balance	b/d	4,000
	Bank	CPJ1	1,650		Customers	SJ1	1,200
	Balance	c/o	2,695		Bank	CRJ1	1,650
			<b>6,850</b>				<b>6,850</b>

Option d: Value-Added Tax

30 April	Suppliers	PJ1	2,325	30 April	Suppliers	b/d	4,000
	Bank	CPJ1	1,650		Suppliers	PRJ1	2,325
	Balance	c/o	3,550		Customers	SJ1	1,200
			<b>7,525</b>				<b>7,525</b>

Option e: None of the above options is correct

19. You are required to use the information provided and show the “Bank” account for the month, indicating the closing balance as of the end of April 2025 (4 marks)

Option a Bank

1/4	Balance	c/o	39,000	30/4	Total payments	CPJ1	22,350
	Total receipts	b/d	19,850		Profit/Loss		36,500
			<b>58,850</b>				<b>58,850</b>

Option b Bank

1/4	Balance	c/o	39,000	30/4	Total payments	CPJ1	22,350
	Total receipts	b/d	19,850		Balance	c/o	36,500
			<b>58,850</b>				<b>58,850</b>

Option c Bank

1/4	Balance	c/o	39,000	30/4	Total receipts	CRJ1	19,850
	Total payments	CPJ1	22,350		Balance	c/o	41,500
			<b>61,350</b>				<b>61,350</b>

Option d Bank

1/4	Balance	c/o	39,000	30 April	Total receipts	CRJ1	19,850
	Total payments	CPJ1	22,350		Profit/Loss		41,500
			<b>61,350</b>				<b>61,350</b>

Option e: None of the above.

20. You are required to use the information provided and show the “Purchases” account for the month, indicating the closing balance as of the end of April 2025 (3 marks)

Option a Purchases

1 April	Bank	CPJ1	4,000	30 April	P/L	GL5	19,000
	Suppliers	PJ1	15,000				

			<b>19,000</b>				<b>19,000</b>
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Option b **Purchases**

1 April	Bank	CPJ1	15,000	30 April	P/L	GL5	19,000
	Suppliers	PJ1	14,000				
			<b>19,000</b>				<b>19,000</b>

Option c **Purchases**

1 April	Bank	CPJ1	4,000	30 April	Balance	c/o	19,000
	Suppliers	PJ1	15,000				
			<b>19,000</b>				<b>19,000</b>

Option d. **Purchases**

1 April	Cash	CPJ1	4,000	30 April	P/L	GL5	19,000
	Creditors	PJ1	15,000				
			<b>19,000</b>				<b>19,000</b>

#### Section D: Accounting Equation (4 marks)

21. The member of JEANS CC made a capital contribution of N\$200,000, which was deposited in the business's bank account. (2marks)

- Owners' equity will decrease by N\$200,000, and assets will increase by N\$200,000
- Owners' equity will increase by N\$200,000, and assets will increase by N\$200,000
- Owners' equity will decrease by N\$200,000, and liabilities will decrease by N\$200,000
- Assets will decrease by N\$200,000, and liabilities will decrease by N\$200,000.
- None of the above options is correct.

22. JEANS CC paid their employees their monthly salaries. The payment was made via N\$70,000. (2 marks)

- Owners' equity will increase by N\$70,000, and assets will decrease by N\$70,000
- Owners' equity will increase by N\$70,000, and assets will increase by N\$70,000

- c. Owners' equity will decrease by N\$70,000, and assets will decrease by N\$70,000
- d. Assets will increase by N\$70,000, and liabilities will increase by N\$70,000
- e. None of the above options is correct.

**Section E: Trial Balance (7 marks)**

- 23. What is the need for companies to draft a trial balance?**
- a. To calculate the status of the financial orders
  - b. To tally the balance of cash and the bank
  - c. For calculating profit and loss
  - d. For checking the accuracy of the ledgers arithmetically
  - e. None of the above
- 24. Which of the following is used for checking the arithmetical accuracy of the account books?**
- a. Ledger
  - b. Trial balance
  - c. Journal
  - d. All of these
  - e. None of these
- 25. Which records are used to draft a trial balance?**
- a. Journals
  - b. Ledgers
  - c. Statement of Profit or Loss
  - d. Statement of Financial Position
  - e. None of the above
- 26. Which of the following accounts is a debit?**
- a. Purchase returns
  - b. Purchase
  - c. Discounts Received
  - d. Owner equity
  - e. None of the above
- 27. Which of the following accounts increases on the debit side?**
- a. Sales Returns
  - b. Discounts Received
  - c. Purchases Returns
  - d. Owner equity
  - e. None of the above

28. Which of the following accounts have a credit balance?
- a. Sales Returns
  - b. Creditors
  - c. Fuel and Oil
  - d. Motor vehicles
  - e. None of the above
29. Which one of the following accounts will be presented in the Statement of Financial Position?
- a. Rent received
  - b. Stationery used
  - c. Bank Overdraft
  - d. Salaries and Wages
  - e. None of the above

**Section E: Bank Reconciliation (9 marks)**

*The following questions assume that the bank reconciliation commences with the closing balance on the bank statement.*

30. On the bank statement, cash deposited is shown as a?
- a. Debit entry
  - b. Credit entry
  - c. Expense
  - d. Profit
31. A debit order for insurance for N\$450 appears on the bank statement, but not in the cash book. This transaction will be recorded on the (2 marks):
- a. Debit side of the bank account
  - b. The credit side of the bank account
  - c. Credit column of the bank reconciliation
  - d. Debit column of the bank reconciliation
32. The bank deducted N\$100 from the bank statement. This deduction was an error and should be deducted from another bank client (2 marks)
- a. N\$100 will be recorded on the debit side of the bank account
  - b. N\$100 will be recorded on the credit side of the bank account
  - c. N\$100 will be recorded on the debit column of the bank reconciliation
  - d. N\$100 will be recorded on the credit column of the bank reconciliation
33. A deposit of N\$4,000 appears on the bank statement, but it is not reflected in the bank account. The following entry will be done (2 marks)
- a. N\$4,000 will be recorded on the debit side of the bank account
  - b. N\$4,000 will be recorded on the credit side of the bank account
  - c. N\$4,000 will be recorded on the debit column of the bank reconciliation

- d. N\$4,000 will be recorded on the credit column of the bank reconciliation
34. Which of the following items on a bank reconciliation would require an adjusting entry on the company's books?
- a. An error by the bank
  - b. Outstanding deposits
  - c. Bank charges
  - d. None of the above
35. The Cash Book debit balance is equivalent to?
- a. Credit Balance as per the bank statement
  - b. Overdraft as per Cash Book
  - c. Overdraft as per the bank statement
  - d. None of the above

**Section G: The effect of VAT on the accounting records (10 marks)**

36. What is the VAT rate on school fees?
- a. 10%
  - b. 12%
  - c. 15%
  - d. 0%
37. Assuming VAT is inclusive, what will be the VAT on sales of N\$100,000? (2 marks)
- a.  $N\$100,000 \times 15\%$
  - b.  $N\$100,000 \times 15/115$
  - c.  $N\$100,000 \times 115/15$
  - d. None of the above is correct
38. VAT on N\$10,000 interest received from the bank will be calculated as? (2 marks)
- a.  $N\$10,000 \times 15\%$
  - b.  $N\$10,000 \times 15/115$
  - c.  $N\$10,000 \times 100/115$
  - d. None of the above
39. Assuming the business sells goods for N\$ 15,000 and purchases for N\$ 34,500. Calculate the VAT net effect. VAT is inclusive in this scenario (2 marks)
- a. N\$2,543 liability
  - b. N\$2,925 income
  - c. N\$2,925 expense
  - d. N\$2,543 asset
40. Assuming the business sells goods for N\$27,000 and purchases for N\$13,000. Calculate the VAT net effect. VAT is exclusive in this scenario (2 marks)
- a. N\$2,100 expense
  - b. N\$2,100 liability
  - c. N\$2,100 asset

- d. N\$2,100 expense
41. **Value Added Tax charged on goods sold, will have the following effect?**
- Give rise to an asset
  - Give rise to a liability
  - Recorded as an expense
  - Recorded as income

**Section H: Year-end adjustments and Financial Statements (19 Marks)**

List of balances of ABC Traders as on 30<sup>th</sup> September 2025

Capital	250,000
Drawings	40,000
Land and Buildings at cost	220,000
Vehicles at cost	90,000
Accumulated depreciation: Vehicles	18,000
Inventory (1/10/2024)	50,000
Accounts Receivable	45,000
Allowance for credit losses	3,000
Accounts Payable	40,000
Bank	25,000
15% Mortgage bond on the land and buildings	120,000
Sales	367,000
Purchases	210,000
Salaries and wages	90,000
Telephone	1,280
Insurance	4,500
Stationery	720
Advertising	3,500
Rent Received	33,000
Credit losses	1,400

Notes:

- A debtor which owes N\$2000 is insolvent and the account is written off.
- The allowance for credit losses should be adjusted to 10% of the total outstanding debtors.
- The interest on the bond has not been accounted for. The bond was registered in 2009.
- The telephone account of N\$400 is still outstanding.
- Rent received for September 2025 is still outstanding.
- Depreciation on motor vehicles is charged at 20% of cost. No residual value is applicable.

- Inventory as per the inventory count on year-end is presented as N\$38000.

**42. What is the cost of sales? (2 marks)**

- a. N\$220,000
- b. N\$157,000
- c. N\$200,000
- d. None of the above options

**43. The following is true regarding the depreciation on motor vehicles (3 marks)**

- a. The current depreciation is N\$18,000, the accumulated depreciation as on 30<sup>th</sup> September 2025 is N\$36,000 and the net book value as on 30<sup>th</sup> September 2025 is N\$72,000
- b. The current depreciation is N\$9,000, the accumulated depreciation as on 30<sup>th</sup> September 2025 is N\$18,000 and the net book value as on 30<sup>th</sup> September 2025 is N\$72,000
- c. The current depreciation is N\$9,000, the accumulated depreciation as on 30<sup>th</sup> September 2025 is N\$18,000 and the net book value as on 30<sup>th</sup> September 2025 is N\$54,000
- d. The current depreciation is N\$18,000, the accumulated depreciation as 30<sup>th</sup> September 2025 is N\$36,000 and the net book value as on 30<sup>th</sup> September 2025 is N\$54,000

**44. The allowance for credit losses for the 2025 book year is calculated as (3 marks)**

- a. N\$1,300
- b. N\$2,225
- c. -N\$775
- d. N\$775

**45. The following entries relate to the telephone account (3 marks)**

- a. Accrued expenses of N\$400, total telephone expense of N\$1,280
- b. Accrued expenses of N\$400, total telephone expense of N\$1,600
- c. Accrued expenses of N\$400, total telephone expense of N\$400
- d. None of the above is correct

**46. The following entries relate to the interest payable account (2 marks)**

- a. Accrued expenses of N\$21,600 and a profit and loss effect of -N\$21,600
- b. Prepaid expenses of N\$21,600 and a profit and loss effect of N\$21,600
- c. Accrued expenses of N\$18,000 and a profit and loss effect of -N\$18,000
- d. Prepaid expenses of N\$18,000 and a profit and loss effect of N\$18,000

**47. The total current liabilities will be shown as (3 marks)**

- a. N\$58,400
- b. N\$61,800
- c. N\$61,600
- d. N\$40,400

**48. The accounts receivable will be shown as (3 marks)**

- a. N\$45,000
- b. N\$43,000
- c. N\$42,275
- d. N\$42,775

**THE END OF THE EXAMINATION PAPER**

Name

Student Number

Mode of Study/centre

- 1 (A) (B) (C) (D) (E) 21 (A) (B) (C) (D) (E) 41 (A) (B) (C) (D) (E)
- 2 (A) (B) (C) (D) (E) 22 (A) (B) (C) (D) (E) 42 (A) (B) (C) (D) (E)
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Student Nr

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2	2	2	2	2	2	2	2	2
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4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9