



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: BACHELOR OF MARKETING/BACHELOR OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT	
QUALIFICATION CODE: 07MARB/ 07BLSC	LEVEL: 5
COURSE CODE: FAC 511S	COURSE NAME: FINANCIAL ACCOUNTING 101
DATE: JANUARY 2025	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION PAPER	
EXAMINER(S)	Dr. D.R. MUZIRA
MODERATOR:	CALISTUS MAHINDI

INSTRUCTIONS
<ol style="list-style-type: none">1. Capture your full name, student number and assessment number on the first page2. Answer ALL the questions and manage your time properly.3. Number each page correctly4. Write clearly and neatly.5. Do not write in pencil and do not use tip-ex, as this will not be marked.6. The names of people and businesses used throughout this assessment do not reflect the reality and may be purely coincidental.7. SHOW ALL WORKINGS!

THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)

Question One:**(30 Marks)**

The following list of balance appeared in the books of B. Xosa, a sole trader for the year ended 31 December 2023.

\$

Capital	103,400
Drawings	3,000
Bank	4,250
Inventory – 1 January 2023	5,000
Vehicle at cost	91,000
Equipment at cost	19,500
Accounts Receivable	10,100
Accounts Payable	14,700
Sales	77,500
Sales Returns	1,500
Purchases	52,500
Purchases Returns	2,500
Rent Income	600
Stationary	150
Wages	10,550
Utility expense	950
Credit losses	300
Discounts Allowed	150
Discounts Received	250

Additional information:

1. Motor vehicle depreciation at 10% per annum using straight line method.
2. Depreciation for the equipment in 2023 was also 10% of cost.
3. On 31 December 2023, a stock count found the inventory to be \$8 000.

Required:

- a) Prepare a trial balance as at 31 December 2023 before the adjustments. **(10)**
- b) Prepare a statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023. **(10)**
- c) Prepare a Statement of Financial Position as at 31 December 2023. **(10)**

Question Two:**(20Marks)**

The following are year-end adjustments for ABC company at 31 December 2023

- a) Write off Muzira's debt of N\$2000 as uncollectable, given that the credit manager had not provided for bad debts.
- b) The credit manager estimates N\$12000 of credit sales will be uncollectable.
- c) Write off Muzira as bad debt N\$2000 if the credit manager had provided for doubtful debts
- d) Muzira's debt of N\$2000 which was previously written off has been recovered
- e) The total amount incurred for the period is N\$10,000; only N\$8,000 was paid.
- f) Total rent for the year is N\$6,500. The total amount paid is N\$7,000.
- g) Interest at 5% owed to the business from X Bank for the year totals to N\$3,500. We only received N\$2,000 this period.
- h) Commission owed to us the year is N\$1,200. The total amount received at year-end is N\$1,400.

Required

Prepare the adjusting journals for ABC company at year-end. Each journal carries 2.5 marks. Journal narrations are required.

Question Three:**(25 Marks)**

Dodos is a registered VAT vendor. The business recorded following transactions during the VAT period ended 30 June 2024. The applicable VAT rate is 15%. Dodos uses the periodic inventory system. All amounts include VAT, unless stated otherwise.

1 June: Bought goods for resale N\$130 000 (excl VAT) on credit from AD Supplies.

7 June: Bought Vehicle for delivery purposes N\$285 000 paid via EFT.

10 June: Some of the goods, valued at N\$57 000 (excl VAT) which were bought on 1 June were returned to AD Supplies, having been found to be defective.

12 June: Sold Goods for N\$70 000 to ABC Traders on Credit.

14 June: Bought snacks and cool drinks for the office. A total amount of N\$3 500 cash was paid to Pick 'n Pay.

15 June: ABC Traders returned some of the goods sold on 12 June, valued at N\$ 15 000.

25 June: The owner, deposited N\$10 000 as capital contribution.

30 June: Paid salaries by cash N\$15 000

Required:

- a) Prepare the general journals for the above transactions. Journal narrations are required. Where VAT is not applicable, provide a reason. (20)
- b) Differentiate zero-rated goods from exempt goods and give an example of each (5)

Question Four

(25 Marks)

- a. Explain any three principles of internal control (6)
- b. Name the 3 classes of inventory in a manufacturing company (3)
- c. Give at least three ways to speed up collection of receivables. (3)
- d. Explain the purpose of the International Financial Reporting Standards (IFRS) (4)
- e. Explain what might cause balance as per bank statement to differ from balance as per cash book (4)
- f. State any five errors that cannot be revealed by the trial balance (5)

The End