



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION  
DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE**

<b>QUALIFICATION: BRIDGING PROGRAMME</b>	
<b>QUALIFICATION CODE: 04NBR</b>	<b>LEVEL: 4</b>
<b>COURSE CODE: ITA412S</b>	<b>COURSE NAME: INTRODUCTION TO ACCOUNTING</b>
<b>SESSION: JANUARY 2024</b>	<b>PAPER: THEORY AND APPLICATION</b>
<b>DURATION: 3 HOURS</b>	<b>MARKS: 100</b>

<b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINERS:</b>	Kuhepa Tjundu
<b>MODERATOR:</b>	Daniel Kamotho

<b>INSTRUCTIONS</b>
<ul style="list-style-type: none"><li>• This question paper is made up of TWO (2) questions.</li><li>• Answer <b>ALL</b> the questions and in blue or black ink.</li><li>• Start each question on a new page in your answer booklet &amp; show all your workings</li><li>• Questions relating to this test 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 &amp; any assumption made by the candidate should be clearly stated.</li><li>• The names of people and businesses used throughout this test paper do not reflect the reality and are purely coincidental.</li></ul>

**PERMISSIBLE MATERIALS**

Non-programmable calculator/financial calculator

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

**Question 1**

**(40 marks)**

You are provided with the following information for transactions that took place in the business of Gowaseb Air Conditioners, a business that install, buy, and sell air conditioners. Transactions are for December 2022:

1. Mr Hoveka, the owner, banked N\$50 000 into the bank account of the business, being additional contribution.
2. Mr Hoveka bought a vehicle that he intends using in his business, total amount for the vehicle cost is N\$28 000, he paid N\$5 000 by cheque and the remaining amount was still due to Auto House where he bought the vehicle.
3. Installed 2 air conditioner and received N\$2 000 by cheque for each service done.
4. The employees of Gowaseb Air Conditioners were paid their monthly salaries of N\$8 000 using an electronic funds transfer (EFT) directly from the business bank account.
5. Repaired a client's air conditioner and received a cheque of N\$3 500.
6. Installed 5 air conditioners for a total amount of N\$12 000 to Mr Iyambo's house on account.
7. Received a telephone bill from Telecom and settled it on the same day with a cheque of N\$650.
8. Mr Hoveka made a payment of N\$7 000 by cheque on the outstanding account balance of Auto house.
9. Bought four new air conditioners to be installed at a client premises next week and paid a cheque of N\$8 000.
10. One air conditioner which was bought was returned back to the supplier because it was not working properly, this was valued at N\$2 000.

**Required:**

a) Show the effect of the above transactions on the accounting equation. Present your answer in the format shown below. Clearly indicate increases with a (+) and decreases with a (-). Marks will also be awarded for identifying the name of the relevant account.

(24 mark)

**Example:**

	<b>Assets</b>	<b>=</b>	<b>Equity</b>	<b>+</b>	<b>Liabilities</b>
	Bank		Capital		
1.	+ 50 000	=	+50 000	+	0

b) Name and explain 3 types of business entities.

(6 marks)

c) Name and define the 5 elements of financial statements.

(10 marks)



**Question 2****(60 marks)**

Kudu (Pty) Ltd is a clothing retail store located in Windhoek.

You have been asked by the Financial Director of Kudu (Pty) Ltd to prepare the Statement of Profit or Loss and the Statement of Financial Position for the 2022 financial year.

**Kudu (Pty) Ltd Trial Balance as at 31 December 2022**

	DR	CR
	N\$	N\$
Motor Vehicles at Cost	150,000	
Accumulated depreciation: Motor Vehicles		15,000
Store equipment at Cost	100,824	
Accumulated depreciation: Store equipment		20,165
Closing inventory – 31.12.2022	46,655	
Trade and other receivables	68,387	
Allowance for credit losses		2,888
Bank	2,833	
Capital		130,480
Long term borrowings		49,308
Trade payables		60,000
Short term borrowings (Current portion of long-term borrowings)		33,024
Sales		388,077
Sales returns	21,500	
Purchases	148,016	
Opening inventory – 01.01.2022	52,666	
Salaries and Wages	64,650	
Office Rental	35,000	
Credit losses	1,400	
Interest expenses	8,233	
Interest income		1,222
	<b>700,164</b>	<b>700,164</b>

**Additional information** (Assume that information below has not been accounted for unless otherwise stated):

1. Kudu purchased two assets on 1 January 2017:

- Motor Vehicle at a cost of N\$150 000
- Store equipment at a cost of N\$100,824.

The company depreciates its motor vehicle at 10% p.a using the straight-line method and store equipment at 20% p.a using the reducing balance method. The purchase of the two assets have been accounted for, however the accountant has not passed the depreciation journals for the current year.

2. On 1 January 2022, the bookkeeper paid an amount of N\$35,000 as rental expense. Monthly

rental is N\$2,500.

The accountant entered the transaction as follows:

DR – Office Rental N\$35,000

CR – Bank                   N\$35,000

3. The company recruited Hip Hip Advertising CC to assist with year-end promotions, Hip Hip's services cost the company N\$8,500. This amount is yet to be settled at year end.
4. A customer NUST (Pty) Ltd purchased white T-Shirts from the company on 31 December 2022 in the amount of N\$5,600. NUST (Pty) Ltd made an Electronic Funds Transfer (EFT) payment of N\$5,600 on the same day, Kudu (Pty) Ltd will only deliver the T-Shirts on 1 January 2023.
5. The entity did not pay 2 employees their December 2022 salaries, the employees each earn N\$6,500 per month.

**Required:**

- (a) Prepare the adjusted trial balance of Kudu (Pty) Ltd as at 31 December 2022.  
**(38 marks)**
- (b) Prepare the Statement of Profit or Loss for the reporting period ended 31 December 2022.  
**(14 marks)**
- (c) Prepare only the Equity and Liabilities section of the Statement of Financial Position as at 31 December 2022.  
**(8marks)**

=====End of Examination =====