



**PAMIBIA UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

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

**DEPARTMENT: ECONOMICS, ACCOUNTING AND FINANCE**

<b>QUALIFICATION:</b> Bachelor of Accounting/ Bachelor of Accounting Chartered	
<b>QUALIFICATION CODE:</b> 07BOAC/07BACC	<b>LEVEL:</b> 7
<b>COURSE:</b> Computerised Accounting 301	<b>COURSE CODE:</b> CAC710S
<b>DATE:</b> November 2023	<b>SESSION:</b> Practical
<b>DURATION:</b> 3 Hours	<b>MARKS:</b> 100

<b>FIRST OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	E Kangootui, Y Elago & H Namwandi
<b>MODERATOR:</b>	E. Milijala

**INSTRUCTIONS**

1. This exam paper is consists of one question.
2. Make sure that your student number appears on all reports. **(Computer printouts)**
3. It is student's responsibility to ensure that all reports are handed in directly to the invigilators.
4. Use of internet or any communication devices is strictly prohibited.
5. Questions relating to this examination 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.
6. Round of all calculations to the nearest two decimal places

**THIS QUESTION PAPER CONSISTS OF 7 PAGES** (Excluding this front page)

You received the following e-mail:

**From:** [jthamba@QoQ.com.na](mailto:jthamba@QoQ.com.na)  
**To :** [accountant@QoQ.com.na](mailto:accountant@QoQ.com.na)  
**Date:** 1<sup>st</sup> September 2022  
**Subject:** Transactions Processing

Dear Accountant

I hope this e-mail finds you well. Kindly allow me to convey my gratitude on your recent appointment as the accountant. We are truly delighted to have you. Congratulations! Without wasting time, I am happy to assign to you your first task, using your computerised accounting knowledge.

**Create a new company on the “C” drive, using the following information.**

Company Name	: Student Number
Financial Year	: 1 <sup>st</sup> September 2022 to 31 <sup>st</sup> August 2023
Processing Method	: Balance Forward
Printing	: Plain Paper
Tax Processing	: <b>15 % VAT Standard (exclusive)</b>

Mr.Thamba started this business few years back in Karibib, called Quality over Quantity (QoQ) (Pty) Ltd, which provide professional accounting services. All Non-Current assets value is based on 1<sup>st</sup> September 2020 invoices at the business inception date.

He also opened a current account at Bank Windhoek, and the bank account no. is 0527903514, the balance at the beginning of the year is \$120 300. He has a \$500 000-overdraft facility arrangement with his bank. He also has a Petty cash box, which will be assigned to you, with the imprest amount of \$10 000.

I have prepared and attached the following documents that you need to critically evaluate and process them accordingly:

**ANNEXURE A.**

**ANNEXURE B.**

**ANNEXURE C.**

**ANNEXURE D.**

May you please submit the required in **Annexure D**, management to make informed decision of our business, within the next 3 hours. Thanking you in advance for your hard work.

Best wishes  
Prof Good Faith  
*Finance director*

**ANNEXURE A.****(35 marks)**Quality over Quantity (Pty) Ltd list of account balances as of 31<sup>st</sup> August 2022

	Notes	Dr (N\$)	Cr (N\$)
Ordinary share capital (5 500 000 share)			110 000 000
4% Preference share capital (2 000 000 shares)			30 000 000
Retained earnings – 1 September 2022			10 500 000
Accounts payable	1		60 000
Accounts receivables	1	70 000	
Sales			20 378 900
Cost of sales		13 246 285	
Income from subsidiary	2		1 632 500
Computer Equipment		1 825 450	
Vehicles		120 300	
Office Equipment		950 200	
Furniture & Fittings		863 550	
Finance cost	3	477 205	
Accumulated depreciation	4		2 877 225
Share issue costs – ordinary shares		1 855 350	
Unpaid Income		842 369	
Allowance for irrecoverable debts			58 905
Unpaid Income tax expense		1 395 020	
Cash Float		102 500	
5% Long term loan			500 000
6.5% Debenture purchased		250 000	
Telephone		110 000	
Salaries and wages		160 545	
Water and electricity		170 400	

**Notes:**

	<b>N\$</b>
<b>1. Accounts payable</b>	<b>60 000</b>
Obakeng Motor Group (OMG100)	25 600 Dr
XYZ Stationers (XYZ200)	18 100 Dr
Office World (OFF300)	?????
<b>Accounts receivable</b>	<b>70 000</b>
MPHO (MPH100)	?????
Denges (DEN200)	84 500 Cr
<b>2. Income from subsidiary:</b>	
Dividends	1 257 500
Management fees	375 000



**3. Finance costs:**

Finance costs on bank loan	447 000
Finance costs on overdraft	30 205

**4. Profit before tax:**

Profit before tax is shown after, amongst others the following items, which are additional to the income and expenses presented as separate line items, had been taken into account:

	N\$
<b>Income:</b>	
Insurance claim proceeds on stolen PPE item	288 500
<b>Expenses:</b>	
Depreciation – Computer Equipment	1 436 613
Depreciation – Vehicles	71 930
Depreciation – Office Equipment	719 306
Depreciation – Furniture	649 376
Rent expense	520 000

**Additional Information**

All non-current assets were bought at inception date, with a residual value equal to 10% of cost and brought into use immediately. The company use the cost model and depreciate assets using the reducing balance method.

DESCRIPTION	GL CODE	REPORT CATEGORY	FINANCIAL CATEGORY
4% Non-Redeemable Preference Shares	5130/000	Balance Sheet	Share Capital
General Reserves	5120/000	Balance Sheet	Share Capital
Share Issue Cost	5110/000	Balance Sheet	Share Capital

**You are required** to create the following general ledger accounts before processing the opening balances listed above in **ANNEXURE A**

**ANNEXURE B.****(20 Marks)**

Quantity over Quality received and issued the following invoices during period two October 2022.

**Service price list**

Service items	Code	Rate per hour (N\$)
Risk & Assurance	RIS100	625
Taxation	TAX100	145
Management	MAN100	465
Bookkeeping	BOO100	310

Obakeng Motors Group ( <b>OMG100</b> ) P. O. Box 96437 Windhoek Tell: 061 – 400 125		INVOICE No. 1025 Date: 1 October 2022		
TO: Quality over Quality P. O. Box 234 Windhoek Tell: 061 250 340		Physical address: No. 125 Shop Centre Strom Street		
Quantity	Description	Discount	Unit Price (N\$)	Total
2	Ford Ranger 4WD	10	310 000	???
		SUBTOTAL		???
		VAT @ 15%		???
		TOTAL DUE		???

XYZ STATIONERS (XYZ200) P. O. Box 564 Windhoek Tell: 061 – 300 123		INVOICE No. 254 Date: 9 October 2022		
TO: Quality over Quality P. O. Box 234 Windhoek Tell: 061 250 340		Physical address: No. 125 Shop Centre Strom Street		
Quantity	Description	Discount	Unit Price (N\$)	Total
10	Big pen (black)	2	5.85	???
2	Calculator	0.5	450	???
3	Printer Cartridges	2.5	2 500	???
<i>Items more than N\$2 000 are capitalised</i>			SUBTOTAL	???
			VAT @ 15%	???
			TOTAL DUE	???

Quality over Quality P. O. Box 234 Windhoek		Physical address: No. 125 Shop Centre Strom Street		
TO: MPHO (MPH100) P. O. Box 233 Tel: 061 203 205		INVOICE No. 1025 Date: 11 October 2022		
Quantity	Description	Discount	Unit Price (N\$)	Total
325 min	Management	1	???	???
435 min	Risk & Assurance	2	???	???
555 min	Bookkeeping	3	???	???
			SUBTOTAL	???
			VAT @ 15%	???
			TOTAL DUE	???

## ANNEXURE C.

(45 Marks)

Mr. Thamba provided you with the following year – end adjustments which are not yet recorded, and they should be process in **period 12**.

### 1) Authorized shares:

According to the memorandum of incorporation, Quality over Quantity (Pty) Ltd has an authorised share capital of 10 000 000 ordinary shares and 3 500 000 4% preference shares.

### Issued shares:

Beginning balance and details on shares from prior year as of 1<sup>st</sup> September 2022, the number of issued shares are 5 500 000 ordinary shares and 2 000 000 preference shares respectively. On 1<sup>st</sup> June 2023 an additional 1 000 000 ordinary shares were issued for R25 per share and this was not accounted for. The offer closed on 15 July 2023 and all the shares were paid and subscribed for. The shares were allotted on 1<sup>st</sup> August 2023. Share issue costs of R230 000 (incl. VAT) were incurred for the ordinary shares and paid for.

- 2) After complying with all the requirements of the Companies Act of 2008, the directors declared an ordinary dividend of 7c per share on 31<sup>st</sup> August 2023.
- 3) Total amount for water & electricity paid during the year-end was from 1 Sept 2022 to 30 June 2023.
- 4) According to the lease agreement signed between Quality over Quantity and Ducay Property, rental fee per month is N\$ 40 000.
- 5) A review of the accounts receivables indicates that accounts receivable of R178 500 pertaining to Vanish Ltd will not be recovered as the company is not traceable. The financial director has authorized the write off this receivable. Furthermore, a detailed review of the remaining accounts receivables indicates that the allowance for doubtful debts should be increased to R95 800.
- 6) On the 1<sup>st</sup> of June 2023 one of the company's **Ford Ranger 4WD** was involved in an accident. The bakkie was traded in and replaced by a new Toyota bakkie, with a cost of N\$ 92 500 (useful life of 10 years) by one of the company suppliers Obakeng. The trade in amount was agreed to be N\$ 33 000, While the remaining balance was agreed to be paid on account starting next year.
- 7) Stationery count at year end revealed theft worth of \$250 which should be written off.



- 8) The company purchased CaseWare software application with a life span of 10 years from Chengeta (Ch700) on the 31<sup>st</sup> April 2023 on account. It was delivered on the same day at the firm premises incurring \$800 for transport. Quality over Quantity received an invoice from Chengeta totalling N\$ 25 340 which is made up of the following items:
- i. Actual invoice amount for the software is N\$22 500.
  - ii. Installation cost done at the firm premises is N\$1 300.
  - iii. Training cost to the employee N\$750.
  - iv. Lunch provided during training N\$ 790.
- 9) Income tax for the year was determined to be N\$50 640 by the receiver of revenue, payable in the next month.
- 10)The company auditors discover an amount of N\$ 21 200 for accounting expenses incorrectly entered on the credit side of the customers allowance account.
- 11)Non-current assets are depreciated on 15 % reducing balance method. Provide depreciation on all non-current assets owned by the company at year end and account for interest on financial instruments for the year. Intangible assets are not depreciated.

#### **ANNEXURE D.**

##### **Requirements**

1. You are required to process the opening balances under **Annexure A.** for the various accounts including **accumulated depreciation** for non – current assets on 1<sup>st</sup> September 2022 (**Period one**)
2. Process customers and supplier documents under **Annexure B. (Period two)**
3. Process the year -end adjustments under **Annexure C. (Period twelve)**
4. Update all batches, print out the following reports:
  - A. **Detailed ledger:**  
(View – General ledger – Transaction – Detailed ledger)
    - **Period 1 – period 12**
  - B. Customer & Supplier **detailed ledger:**
    - **Customers:** View – Customers – Detailed ledger – By customer
    - **Suppliers:** View – Suppliers – Detailed ledger – By supplier
    - **Period: 1 – Period 12**

=====END of Examination =====