



**ELIZADE UNIVERSITY,  
ILARA-MOKIN,  
ONDO STATE**

**FACULTY: Humanities and Management Sciences  
DEPARTMENT: Accounting & Finance  
2nd (August 2013) SEMESTER EXAMINATIONS  
.....ACADEMIC SESSION**

**COURSE CODE: ACC 102**

**COURSE TITLE: INTRODUCTION TO ACCOUNTING II**

**DURATION: 2Hrs 30 minutes**

A rectangular box containing a handwritten signature in black ink.

**HOD's SIGNATURE**

**General Instructions:**

1. Attempt ALL questions in section A; and any 3 in Section B.
2. In section B, begin each question on a fresh-page of your answer booklet.
3. Remember to write your matriculation number in the space provided below

**MATRICULATION NO: \_\_\_\_\_**

**Short Answer Questions (15 marks)**

Question No.	Question	Marks														
1.	The limit to which a customer is allowed to purchase goods from a company in a month before paying is known as .....	1														
2.	In a Three-Column Cash Book the discount shown on the debit side is called.....	1														
3.	Manufacturing profit is transferred to .....	1														
4.	Before preparing the Bank Reconciliation Statement, charges just notified by the bank is credited in the .....	1														
5.	Cost of Fixed Asset less Accumulated Depreciation is.....	1														
6.	Another name for Prime Book of Entry is.....	1														
7.	The equivalent of a business Profit and Loss Account prepared by a social club is called.....	1														
8.	The actual systematic recording of daily transactions in the appropriate books is called.....	1														
9.	Loss on disposal of Fixed Assets is.....to Profit and Loss Account	1														
	Use the following data to answer questions 10 and 11															
	<table border="1"> <thead> <tr> <th></th> <th>C</th> </tr> </thead> <tbody> <tr> <td>Cash at Bank</td> <td>45,000</td> </tr> <tr> <td>Rent Unpaid</td> <td>5,000</td> </tr> <tr> <td>Debtors</td> <td>25,000</td> </tr> <tr> <td>Cash in Hand</td> <td>500</td> </tr> <tr> <td>Creditors</td> <td>35,000</td> </tr> <tr> <td>Accrued Salaries</td> <td>40,000</td> </tr> </tbody> </table>		C	Cash at Bank	45,000	Rent Unpaid	5,000	Debtors	25,000	Cash in Hand	500	Creditors	35,000	Accrued Salaries	40,000	
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10.	Current Assets figure is.....	1														
11.	Current Liabilities figure is.....	1														
	<b>The following are the year-end balances in Nwachukwu's ledger</b>															
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12.	What is the Trial Balance total?	1														
13.	What is meant by returns outwards?	1														
14.	What is the minimum number of members that can form a partnership?	1														

5.	What do you understand by term accrued expenses?	1																																
Que. No.	<b>Section B. Attempt any Three Questions from this Section (45 Marks)</b>	<b>Mark</b>																																
1.	<p><b>Question 1:</b> The following balances were extracted from the ledger account of Prosperity Enterprises for the period ended 30<sup>th</sup> June, 2012.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">₦</th> </tr> </thead> <tbody> <tr> <td>Capital-----</td> <td style="text-align: right;">810,000</td> </tr> <tr> <td>Loan-----</td> <td style="text-align: right;">66,000</td> </tr> <tr> <td>Cash at Bank-----</td> <td style="text-align: right;">263,088</td> </tr> <tr> <td>Motor Vehicle-----</td> <td style="text-align: right;">480,000</td> </tr> <tr> <td>Carriage Inwards-----</td> <td style="text-align: right;">6,456</td> </tr> <tr> <td>Debtor -Oluwole &amp; Co-----</td> <td style="text-align: right;">65,000</td> </tr> <tr> <td>Creditor – Williams &amp; Sons-----</td> <td style="text-align: right;">81,500</td> </tr> <tr> <td>Sundry Expenses-----</td> <td style="text-align: right;">16,278</td> </tr> <tr> <td>Motor Van Expenses-----</td> <td style="text-align: right;">10,852</td> </tr> <tr> <td>Salaries and Wages-----</td> <td style="text-align: right;">77,958</td> </tr> <tr> <td>Electricity Bills-----</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td>Purchases-----</td> <td style="text-align: right;">249,000</td> </tr> <tr> <td>Sales-----</td> <td style="text-align: right;">284,280</td> </tr> <tr> <td>Accounts Payable-----</td> <td style="text-align: right;">10,852</td> </tr> <tr> <td>Debtor – Ajewole &amp; Sons-----</td> <td style="text-align: right;">68,000</td> </tr> </tbody> </table> <p><b>Required:</b> Draw out a neat Trial balance for the transactions for the period ended 30<sup>th</sup> June, 2012. <b>(15Marks)</b></p>		₦	Capital-----	810,000	Loan-----	66,000	Cash at Bank-----	263,088	Motor Vehicle-----	480,000	Carriage Inwards-----	6,456	Debtor -Oluwole & Co-----	65,000	Creditor – Williams & Sons-----	81,500	Sundry Expenses-----	16,278	Motor Van Expenses-----	10,852	Salaries and Wages-----	77,958	Electricity Bills-----	6,000	Purchases-----	249,000	Sales-----	284,280	Accounts Payable-----	10,852	Debtor – Ajewole & Sons-----	68,000	15
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2.	<p><b>Question 2:</b> 2(i) What are the salient objectives that a good control over cash will help the management of any organization to achieve (7 Marks) 2(ii) In order to have good internal control over cash, what are the steps to be taken in handling cash. (8 Marks) <b>Total = 15Marks</b></p>	15																																
3.	<p><b>Question 3:</b> The following balances were extracted from the books of Oduduwa Manufacturing Company Nigeria Limited. You are required to prepare the necessary final accounts of the Company.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">₦</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Stocks on 1<sup>st</sup> January, 2010:</b></td> </tr> <tr> <td>Raw materials-----</td> <td style="text-align: right;">27,100</td> </tr> <tr> <td>Work In Progress-----</td> <td style="text-align: right;">13,000</td> </tr> <tr> <td>Finished Goods-----</td> <td style="text-align: right;">25,600</td> </tr> <tr> <td>Purchases: Raw Materials-----</td> <td style="text-align: right;">475,300</td> </tr> <tr> <td style="padding-left: 20px;">Indirect Materials-----</td> <td style="text-align: right;">3,700</td> </tr> <tr> <td>Direct Wages-----</td> <td style="text-align: right;">106,460</td> </tr> <tr> <td>Factory Power-----</td> <td style="text-align: right;">9,100</td> </tr> <tr> <td>Factory Heating and Lighting-----</td> <td style="text-align: right;">3,950</td> </tr> <tr> <td>Office Heating and Lighting-----</td> <td style="text-align: right;">1,860</td> </tr> <tr> <td>Printing and Stationery-----</td> <td style="text-align: right;">2,528</td> </tr> <tr> <td>Postage and Telephone-----</td> <td style="text-align: right;">1,040</td> </tr> </tbody> </table>		₦	<b>Stocks on 1<sup>st</sup> January, 2010:</b>		Raw materials-----	27,100	Work In Progress-----	13,000	Finished Goods-----	25,600	Purchases: Raw Materials-----	475,300	Indirect Materials-----	3,700	Direct Wages-----	106,460	Factory Power-----	9,100	Factory Heating and Lighting-----	3,950	Office Heating and Lighting-----	1,860	Printing and Stationery-----	2,528	Postage and Telephone-----	1,040	15						
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Factory Salaries-----	23,000
Office Salaries-----	19,800
Factory Insurance-----	2,420
Other Insurance-----	900
Depreciation: Factory Equipment & Machinery-----	10,000
Office Equipment & Machinery-----	1,300
Office Expenses-----	3,360
Advertising-----	1,700
Sales-----	756,300

The following additional information is relevant to the above accounting period:

(i) Stocks on 31<sup>st</sup> December, 2010:

	N
Raw Materials-----	48,000
Work In Progress-----	15,974
Finished Goods-----	36,100

(ii) Prepayment at 31<sup>st</sup> Dec. 2010:

	N
Factory Insurance-----	232
Other Insurance-----	90

(iii) Accrual at 31<sup>st</sup> Dec. 2010:

	N
Direct Wages-----	2,684
Factories Heating and Lighting-----	394
Office Heating and Lighting-----	86
Factory Power-----	700

15Marks

4.

**Question 4:**

Adekunle Adelola had the following assets and liabilities on the dates shown:

	Dec. 31, 2005	Dec. 31, 2006
	N	N
Freehold Premises-----	29,000	31,000
Motor Vehicle -----	11,800	10,600
Furniture and Fittings-----	5,000	6,000
Stock in Trade-----	11,200	14,100
Trade Debtors-----	9,000	15,000
Trade Creditors-----	14,000	18,000
Cash at bank and in hand-----	1,660	7,980
Prepared Expenses-----	570	2,220
Accrued Expenses-----	1,400	900

During 2006 he withdrew N500 per month from the business bank account for his personal use.

On 31<sup>st</sup> August 2006, he sold his personal car for N5, 000 and paid the proceeds into the business bank account.

Calculate the net profit or loss made by Adelola in 2006.

15Marks

15