



# ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

**FACULTY:** SOCIAL & MANAGEMENT SCIENCES  
**DEPARTMENT:** ACCOUNTING & FINANCE  
**FIRST SEMESTER EXAMINATIONS**  
**2015/2016 ACADEMIC SESSION**

**COURSE CODE:** ACC 201  
**COURSE TITLE:** FINANCIAL ACCOUNTING I  
**DURATION:** 2 HOURS: 30 MIN.  
**INSTRUCTION:** Attempt Question 1 and any other 3

HOD's SIGNATURE

**Question 1**

Sam Boma is a trading organisation. The trial balance of the firm for the year ended 31st December 2006 is as follows:-

	DR	CR
Inventory (0170172006)	N 61,290	N .
Sales		489,600
Purchases	320,560	
Salaries & Wages	99,925	
Motor Vehicles	129,375	
Furniture & Fittings	55,620	
Motor Vehicle Expenses	17,190	
Insurance	2,025	
Office Expenses	5,580	
Rates	7,775	
Lighting Expenses	4,295	
Trade Debtor s& Crs	100,800	44,800
Cash & Bank	12,465	
Drawings	31,050	
Capital		313,550
	847,950	847,950

You are also provided with the following additional information.

- (i) Inventories as at 31st December 2006 N76,230.
- (ii) Rates outstanding as at 31st December, 2006 amounts to N1,555.
- (iii) Insurance expenses include N315 meant for the next period up to 31st March, 2007
- (iv) Accrued expenses on lighting amounts to N835.
- (v) Depreciation provisions are as follows:  
 Motor Vehicles 20%  
 Furniture & Fittings 10%
- (vi) 2½% should be provided on Receivables for doubtful debts.

**You are required to:**

- (a) Make necessary adjusting entries in the ledger (3 marks)
- (c) Prepare Trading and Profit & Loss Account for the year ended 31st December 2006 (using Horizontal Format) 7marks

(d) Prepare Balance Sheet as at 31st December 2006 (using Horizontal Format) 5 marks

### Question 2

The following information relates to Akure branch of Ayegbajeje Enterprises

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Opening balances	- 1 <sup>st</sup> January 2015	
Branch stock		126,000
Branch debtors		54,200
Branch bank		36,400
Transaction for the month of January 2015		
Goods sent to branch at cost		253,200
Cash sale paid to the bank		50,400
Credit sales		324,800
Cheque received from debtors		340,200
Cash transferred from bank to HQ account		347,800
Bad debts written off		600
General expenses		1,400
Wages		1,600
Closing stock		96,000

Goods are transferred to branch at cost plus 20 per cent.

You are required to write up branch account using:

- Memorandum column method (5 marks)
- The Branch Adjusted Account Method (10 marks)

### Question 3

Peter, James and John entered into Joint Venture to buy and sell high quality millet regularly demanded by a feed mill factory in Onitsha. They agreed to share profit and loss in the ratio 5:3:2 respectively. The following transactions were carried out in the last three months of 2014

- Feb.4 Peter rented a shop for N600,000 and paid cash  
 6 James purchased 3000 tons of feed at N3,500  
 8 John hired labourers to re-bag the millet and paid N370,000  
 18 James hired vehicles to carry the millet to okirika market and pad N185,000  
 Mar.5 Peter paid sundry expenses of N100,000 labourers N180,000 and millet N300,000  
 10 John hired labourers to offload the millet bought by Peter and paid N72,100  
 Apr. 20 John sold all the millet in the store for N400,000,000 and paid expenses of N150,00

**Required;**

- Prepare Joint Venture Account in the books of Ventures' (5 marks)
- Prepare Joint Venture Memorandum Account showing Profit and Loss sharing in the ratio Peter 5; James 3; and John 2. (10 marks)

### Question 4

Julius Berger Nigeria Plc is a giant construction company based in Abuja, Federal Capital Territory. At present the company has two contract in progress. Details extracted from their records at 31<sup>st</sup> December, 2015 were

Contract Name ( Project)	Shopping Plaza	Stadium
Commencement Date	Jan. 1	July 1
	N	N
Contract price	5,500,000	7,000,000
Expenditure:		
Materials	233,600	385,600
Wages	968,860	744,360

Plant purchases	130,000	172,400
Materials on site (31 <sup>st</sup> Dec 2015)	3,000,000	1,300,000
Accrued wages	42,000	12,800
Value of work Certified	84,340	44,840
Work completed but not certified	1,870,000	1,270,500
	70,000	44,000

Head office charges of 450,000 are charged in proportion to their prime cost. The plant was installed at the commencement of the contract and depreciation is calculated at 20% per annum. Both contract have been estimated to give an overall profit on completion

Required.

Prepare contract account for the company (15 marks)

### Question 5

The Trial Balance of Agbeloba Farm as at 31<sup>st</sup> December, 2013 is as follows

	Dr N	Cr N
Capital		1,720,000
Creditors		23,000
Equipment	640,000	
Cash at bank	32,000	
Drawings	280,000	
Other general expenses	24,000	
Opening stock	553,600	
Purchases	519,200	
Sales		2,512,000
Subsidies		90,400
Fertilizer	56,000	
Seeds	128,000	
Contract work- crop	168,000	
Casual labourer – crop	4,000	
Other expenses- crop	20,800	
Feeds	224,000	
Casual labourer – livestock	12,000	
Vet Medicine - livestock	32,000	
Diary expenses	8,000	
Sundry expenses – livestock	16,000	
Regular labour expenses	512,000	
Repair of motor vehicles	68,000	
Petrol/oil	33,600	
Electricity	24,000	
Depreciation	108,000	
Insurance	12,000	
Rent and rate	72,000	
Debtors	720,000	
Repair of property	72,000	
Bank charges	13,600	
Telephone	9,600	
General repair	96,000	
	<u>4,558,400</u>	<u>4,558,400</u>

Further information relevant to the accounts is as follows ;

1. Closing stock Cassava - N24,000 .Yam - N54,000. Cow N24,000. Ram- N40,000
2. Sales; Cassava- N240,000. Yam- N368,000 .Cow- N1,656,000. Ram-N248,000



- Cassava- N125,000. Yam- N124,000. Cow- N220,000. Ram- N84,000
5. Purchases- Cow- N472,000 . Ram- N147,200
  6. Personal consumption; Cassava- N6400. Cow- N12,000
  7. Subsidies ; Cassava- N16,000. Yam-N22,400; Cow -N32,000. Ram- N20,000

**Required;**

Prepared Trading, Profit and Loss Account of Agbeloba Farms for the year ended 31<sup>st</sup> December,2013 and its Balance Sheet (15 marks)

**Question 6 (a)**

The following is the list of balances extracted from the ledger of CHINEDU& COMPANY, a sole Practitioner of an Audit Firm as at 31 <sup>st</sup> December, 2015.	N
Audit Fee Income	1,000,000
Consultancy Fee Income	2,000,000
Cash in Bank	1,650,000
Sundry Income	300,000
Capital	750,000
Administrative Expenses	600,000
Salaries & Allowances	800,000
Subscriptions	10,000
Profit & Loss Account Brought Forward	1,150,000
Professional Licence Renewal Fees	5,000
Rent	150,000
Stationery	250,000
Debtors	850,000
Transport & Travelling	75,000
Furniture & Fittings (Cost)	300,000
Motor Vehicle (Cost)	550,000
Newspapers & Journals	80,000
Rates	50,000
Provision for Depreciation -(M/V)	110,000
Provision for Depreciation (Furniture & Fittings)	60,000

The following rules will be found useful.

- (i) Assets, Losses and Expenses are debit balances.
- (ii) Liabilities, Capital, Gains and Profit are credit balances.

**Required.**

Extract a trial balance for Chinedu & Co as at 31<sup>st</sup> December 2015 (10 marks)

6 (b) Explain any TWO out of the following terms

- Del- credere – commission
- Short working
- Consignor and Consignee
- Statement Of Accounting Standard (5 marks)