

UNIVERSITY OF BUEA
FACULTY OF SOCIAL AND MANAGEMENT SCIENCES
DEPARTMENT OF ECONOMICS AND MANAGEMENT

FIRST SEMESTER EXAMINATION

COURSE CODE: CEF 315	DATE: THURSDAY 06, 2014
COURSE TITLE: ACCOUNTING	TIME ALLOWED: 3HOURS
CREDIT VALUE: 6	Lecturers: NYENGICHE T. MUSIBE

INSTRUCTIONS: Answer all questions neatly. Start each question on a new page. Arrange your answers in a logical sequence.

QUESTION ONE (10MARKS)

Briefly explain the following concepts and principles as used in accounting:

- a) Conservatism b) Duality c) Accruals d) Entity concept e) matching concept.

QUESTION TWO (20MARKS)

The following is a trial balance of Aborekybia Plc as at 31/12/2013

Item	Dr (000) FCFA	Cr (000) FCFA
Capital		80,000
Drawings	6,000	
Plant and machinery (bal 1/1/2013)	20,000	
Plant and machinery (addition 1/7/2013)	5,000	
Stock 1/1/2013	15,000	
Purchases	82,000	
Sundry debtors	20,600	
Furniture and fixtures	5,000	
Freight and duty	2,000	
Carriage outwards	500	
Rents and rates	4,600	
Printing and stationery	800	
Trade expenses	400	
Sundry creditors		10,000
Sales		120,000
Returns outwards		1,000
Postage	800	
Provision for doubtful debts		400
Discount		800
Rent of premises sublet for year to 30/6/2014		1,200
Returns inwards	2,000	
Insurance charges	700	
Salaries and wages	21,300	
Cash in hand	6,200	
Cash at bank	20,500	
Total	213,400	213,400

Additional information:

- Stock on 31/12/2013 was valued at 14,600,000 FCFA.
- Write-off 600,000 FCFA as bad debts.
- Provision for doubtful debts is to be maintained at 5% on sundry debtors.
- Create a provision for discount on debtors at 2%.

5. Provide for depreciation using the constant method on furniture and fixtures at 5% per annum and on plant and machinery at 20% per annum.
6. Insurance prepaid was 100,000 FCFA.
7. Accrued salaries stood at 400,000 FCFA.
8. A fire occurred 25/12/2013 and stock valued at 5,000,000 FCFA was destroyed. It was fully insured and the insurance company admitted the claim in full.

Required:

- b) Prepare the statement of income for the year ended 31/12/2013.
- c) Prepare the statement of financial position as at 31/12/2013.

Question three (10mks)

With the aid of two examples each (without repetition), briefly explain what you understand by:

- (i) Long term liabilities (ii) Tangible fixed assets (iii) Intangible assets (iv) Current Liabilities
- (v) Debt capital

Question four (6mks)

- a) What are codes? (1mks)
- b) Briefly explain the coding system used in OHADA Accounting. (List the classes of accounts and classify them) (5mks)

Question five (5mks)

- a) What is a system (1mk)
- b) In your own words and diagrammatic illustrations design and show how you would control salary and wages in an entity of your choice (4mks)

Question six (20mks)

Field work on practical accounting information packages

- a) Which Institution did your group visit (0.5mk)
- b) What difficulties did you encounter (1.5mks)
- c) i. What AIS package do they use (1mk)
- ii. What are the subsystems of the package (2mks)
- iii. State the characteristics, differences and similarities (4mks)
- d) State the internal and IT control associated with the packages (4mks)
- e) What are the limitations and corrective measures of the system (4mks)
- f) List any other four (4) AIS packages you know (2mks)
- g) What is your general impression (1mk)

END
GOOD LUCK

"IT IS HONOURABLE TO FAIL THAN TO CHEAT"!!