

Acc 102 (Cont'd)

Make a list of ~~extra~~ accounts to be prepared in the non-profit making organisation.

- i) Receipt and payment account
- ii) Bar trading account
- iii) Subscription account
- iv) Income and expenditure account
- v) Statement of affairs (Accumulated fund).
- vi) Financial position statement

- 2) The main source of cash for a club will be members Ans: Membership fees.
- 3) Membership fees are regarded as Subscription Ans: Subscription.
- 4) Members who paid their fees in advance are Creditors (payables) Ans: Creditors (payables)
- 5) Members who are in arrears are Debtors (receivables) Ans: Debtors (receivables)
- 6) Accumulated fund is the excess of assets over the liabilities of a non-profit making organisation. Ans: Accumulated fund.
- 7) Accumulated fund is the Capital for non-profit making organisation Ans: Capital
- 8) To ascertain accumulated fund, a Statement of affairs will be prepared at the beginning of the year Ans: Statement of affairs.
- 9) Financial position statement is the account that will show the statement affairs of the business at the end of the year. Ans: Financial position statement.
- 10) When a partner is carrying on a business on behalf others, such partner is known as Active partners Ans: Active partners
- 11) When a partner add his/her profit to his/her capital account, the partner may be allowed to withdraw from the capital up to the level of the Capital he added to his fixed capital. Ans: Profit
- 12) ~~Profit is not among those thing that can lead to ch~~
- 13) Cash book is the cash book of a non-profit making organisation.
- 14) The Receipt and payment account series as comprehensive income statement for non-profit making organisation. Ans: Receipt and payment account.
- 15) Income and expenditure account are account record where information is missing or where books of account are kept on a single entry. Ans: Incomplete records
- 16) Assets - Liabilities = Equities Ans: Equities
- 17) Closing assets - Closing liabilities = Closing equity Ans: Closing equity
- 18) Closing equity - opening equity = Increase/decrease in net assets Ans: Increase/decrease in net assets
- 19) When gross profit is expressed as a percentage of cost of sales it is known as Mark-up Ans: Mark-up.
- 20) When gross profit is express as a percentage of sales is known as Margin Ans: Margin
- 21) Convert 25% mark-up to margin Ans: $\frac{25}{100} = \frac{1}{4} + 1 = \frac{1}{5} \times 100 = 20\%$

ACC 102 (Cont'd)

Make a list of ~~accounts~~ accounts to be prepared in the non-profit making organisation.

Ans:

- i) Receipt and payment account
- ii) Bar trading account
- iii) Subscription account
- iv) Income and expenditure account
- v) Statement of affairs (Accumulated fund).
- vi) Financial position statement

42) The main source of cash for a club will be ~~members'~~ Ans: Membership fee

43) Membership fees are regarded as Ans: Subscription.

44) Members who paid their fees in advance are Ans: Creditors (payables)

45) Members who are in arrears are Ans: Debtors (receivables)

46) Ans: Accumulated fund is the excess of assets over the liabilities of a non-profit making organisation.

47) Accumulated fund is the Ans: Capital for non-profit making organisation.

48) To ascertain accumulated fund, a Ans: Statement of affairs will be prepared at the beginning of the year.

49) Ans: Financial position statement is the account that will show the statement affairs of the business at the end of the year.

50) When a partner is carrying on a business on behalf others, such partner is known as Ans: Active partners.

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52) Ans: Cash book is the cash book of a non-profit making organisation.

53) Ans: Receipt and payment account series as comprehensive income statement for non-profit making organisation.

54) Ans: Income and expenditure account are account record where information is missing or where books of account are kept on a single entry.

55) Assets - liabilities = equities Ans: Incomplete records

56) Closing assets - closing liabilities = closing equity Ans: Closing equity

57) Closing equity - opening equity = increase/decrease in net assets

58) When gross profit is expressed as a percentage of cost of sales it is known as Ans: Mark-up.

59) When gross profit is expressed as a percentage of sales it is known as Ans: Margin.

60) Convert 25% mark-up to margin Ans: $\frac{25}{100} = \frac{1}{4} + 1 = \frac{1}{5} \times 100 = 20\%$

- (2) A national salary is ~~not a business~~ ^{not a} business salary in the same way that to employees is. ~~True/False~~ Ans: True.
- (23) _____ is the interest on the balance in partners' capital account.
Ans: Notional interest.
- (24) Notional interest on long-term capital is not ~~an~~ ^{an} expense because the capital in the partners' capital account is _____ and not a liability.
Ans: Equity
- (25) _____ is the amount by which the value of the business exceeds the value of all its net assets. Ans: Goodwill.
- (26) Total assets _____ liabilities = _____ Ans: Net assets.
- (27) Value of the business _____ Net assets = _____ Ans: Goodwill.
- (28) _____ is where two or more partnerships come together to form a new partnership or where a sole trader and a partnership combine together.
Ans: Amalgamation.
- (29) _____ is when the partnership ceases trading. Ans: Dissolution of partnership.
- (30) Fill in the blanks to complete the circumstances that will occur at the dissolution of a partnership.
Some assets of the firm are sold at _____ which must be shared between partners in the profit sharing ratio. Ans: Profit or loss.
- (31) Other assets might be taken by the partners for the settlement of their _____.
Ans: Capital.
- (32) _____ are paid through capital balances. Ans: liabilities.
- (33) The balance of the capital owing to the partners is paid off using the remaining _____.
Ans: Assets.
- (34) _____ is used to calculate the profit or loss on disposal of assets.
Ans: Realisation account.
- (35) _____ organisation was established to achieve other objectives than making profit. Ans: Non-profit making organisation.
- (36) Clubs and societies, charities, hospitals, government bodies are all examples of _____ organisation. Ans: Non-profit making organisations.
- Fill in the blanks to complete the features and objectives of non-profit making organisations.
- (37) They are not set up to make _____ Ans: profit.
- (38) Funds are available from members _____ Ans: Contribution.
- (39) _____ of welfare activities to members. Ans: Promotion.
- (40) Surpluses are distributed as _____ Ans: dividends.

- ① The relationship between two or more people carrying on a business in common with a view profit. is known as Ans: Partnership
- ② Persons who ~~has~~ ^{are} in partnership with one another are individually called Ans: Partners, firm and collectively called Ans: Partners, firm
- ③ The name under which the partnership business is carried on is called Ans: The firm's name.

Fill in the blanks to complete the features of a partnership (4-7)

- ④ There must be an Ans: Association of two persons to carry on a business
- ⑤ There must be a/an Ans: Agreement entered into by all the persons concerned
- ⑥ The agreement of partnership must be to Ans: Share the profit of the business
- ⑦ The business must be carried on by all or any of the persons concerned Ans: Acting for all
- ⑧ The composition of a partnership might change on occasion with atleast 3 things mention them Ans: 1) New partners being admitted
2) An existing partner leaving the partnership to other partners
3) When two partnership are amalgamating into single partnership

② Ans: Partnership account are the financial account of a partnership business

- ⑩ The financial statement of partnership are the same as those of a sole proprietor with the exception of Ans: Capital
- ⑪ The major difference between partnership and sole proprietorship is that Ans: partnership as several joint owners.
- ⑫ Ans: Ownership. ~~partnership~~ is reflected in the ~~partnership~~ capital of a business

- ⑬ The capital of each partners must be identified separately, and is divided into two namely Ans: Capital account and current account.
- ⑭ The amount of fixed capital contributed by each partners is recorded in Ans: Capital account

⑮ A partner can draw out of the fixed capital contributed. True/false. Ans: false

⑯ Ans: Current Account. is used to record accumulated profit of partners and partners drawing

- ⑰ The profit of the business are shared among the partners, the share of each partner must be recorded on the Ans: Credit side of his/her current account

⑱ Ans: drawings. are a withdrawal of profit

- ⑲ Drawings are recorded by debiting the Ans: Current, bank account of the partner and crediting the Ans: Current, bank account

⑳ Profit sharing arrangement is set out in the partnership Ans: agree

- ㉑ Ans: Notional salary is an agreed amount awarded to the individual partners for the partnership profit.

- 61.) A limited company can be created by _____ Ans: law
- 62.) Limited companies are formed in accordance with the procedures laid down under the _____ Ans: Company Act.
- 63.) The three types of company permitted under the company act are _____
Ans: Company limited by share, company limited by guarantee, unlimited liability company
- 64.) _____ company are very rare Ans: Unlimited liability
- 65.) Company limited by share can be divided into two namely: _____ and _____
Ans: Private (Ltd) and Public (Plc) company.
- 66.) A type of share where share holders are entitled to dividend whether the business make profit or loss is known as _____ Ans: Preference shares
- 67.) A type of preference share that allows share holders receive current and previous dividends together? Ans: Cumulative preference shares
- 68.) A type of preference share through which share holders can be paid all dividends if the company liquidate or share holders wish to quit is known as _____
Ans: Redeemable preference shares
- 69.) A share in which in the case of liquidation of the company, the shareholders will not be able to redeem or get back dividend is known as _____ Ans: Irredeemable preference shares.
- 70.) _____ share holders are owners and decision makers of the business Ans: Ordinary shareholders.
- 71.) _____ share holders have been settled _____ Ans: Ordinary shareholders.
- 72.) Authorized capital is also known as _____ Ans: Nominal or registered capital.
- 73.) The ^{total} capital not at hand but suggested as the amount that can start the business by the _____ is known as _____ Ans: Authorized nominal or registered capital.
- 74.) The part of authorized capital which has been ^{offered for subscription} subscribed to is known as _____ Ans: Issued or subscribed capital
- 75.) The capital which have been subscribed to but have not been paid for is known as _____ Ans: called-up capital
- 76.) The part of capital which have been subscribed to and have been paid for is known as _____ Ans: Paid-up capital
- 77.) _____ refers to the part of issued share capital which has been subscribed by investors Ans: Subscribed capital
- 78.) _____ refers to the part of ~~subscribed~~ called up capital which have ~~not~~ been paid for Ans: Un-called capital
- 79.) The money contributed to a company for a long-term in form of payables are known as _____ Ans: Debentures.