**BUST 212 INTERMIDIATE ACCOUNTING**

1. **ACCOUNTING FOR PLANT ASSETS AND DEPPRECIATION**
   1. What do you understand by the term “Depreciation”? (2 mks).
   2. Discuss 3 applicable depreciation methods (6 mks).
   3. “Depreciation is a non-cash expense”. Discuss? (2 mks)
2. **INVENTORY**
   1. What do you understand by the following terms (2 mks each).
      1. Inventory.
      2. Cost
      3. Net realizable value
   2. State 2 methods of inventory valuation that are allowed under IAS 2. (2 mks).
   3. State the method of valuing inventory that is not allowed under IAS 2 and the reason it is prohibited?
3. **PRESENTATION OF FINANCIAL STATEMENTS**
   1. Discuss in detail each of the components of financial statements (12 mks).
4. **ACCOUNTING FOR EQUITIES**
   1. Discuss the rights of ordinary shareholders (4 mks).
   2. Discuss the different types of preference shares (12 mks)
   3. ABC LTD floated 3000 shares of Ksh. 10 par. The company sold each of the shares at Ksh. 20 per share, with all payments in cash.
      1. Show the journal entries to record the above transactions.
      2. What is **share premium**, and to what uses can it be applied to.
      3. What is **share discount**? Under what conditions are shares issued at a discount?