

UGANDA MARTYRS UNIVERSITY
School of Arts and Social Sciences
Department of Development Studies
Bachelor of Social Work and Social Administration-Nkozi & Lubaga

FINANCIAL ACCOUNTING EXAMINATION

INSTRUCTIONS:

Attempt any four questions.

TIME : 9:30-12:30 Noon

Question one

		Shs.
2022		
May 1	Cash in hand brought forward from last month	165,000=
	Cash at Bank brought from last month	750,000=
May 3	Paid Motor Ltd by Cheque and	300,000=
	Discount received	30,000=
May 6	Bought stationery for office use with cash	36,000=
May 8	Paid Sundry expenses in cash	60,000=
May 9	Drew out cash from bank for office use	150,000=
May 12	Cash Purchases	100,000=
May 13	Received payment by cheque from Kabila	230,000/=
	Discount Allowed	20,000=
May 16	Cash sales	120,000=
May 19	Drew out cash for own use	70,000=
May 27	Semakula paid cheque Shs. 400,000 less 5% cash Discount	
May 30	Paid Motto by cheque and	615,000=
	Discount received	15,000=
May 30	Banked in all cash except	50,000=

Required:

Enter the above transactions into Three Column Cash Book (25 marks)

Question two

The following transactions are for Kayabwe Ltd for the month of Oct 2022. Enter them into a general journal.

Oct 1. Started business with 20,000,000/= cash

Oct 2. Purchased land for the business at 3,000,000/= cash

Oct 4. Purchased office equipment on credit from Unique furniture Ltd at 2,000,000/=

Oct 5. Obtained bank loan of 8,000,000/=, it was deposited into the bank a/c

Oct 15. Made part payment of 1,500,000/= to Unique Furniture Ltd by cheque

Oct 17. Bought motor vehicle from Spear Motors at a cost of 15,000,000/=

Made cash payment of 10,000,000/=, paid 3,000,000/= by cheque and promised to pay the balance later.

Oct 20. Sold a portion of land that was un-utilized for 500,000/= cash

Oct 25. Fully settled the balance of 2,000,000/= by cheque due to Spear Motors for the motor vehicle.

Oct 30. 800,000/= business cash was used to entertain relatives from Kitgum district

(25 marks)

Question three

Given the following trial balance of A Mooti, extracted after one year's trading:

Trial balance as at 31 December 2020		
	Dr	Cr
	(Shs)	(Shs)
Sales		190,576
Purchases	119,832	
Salaries	56,527	
Motor expenses	2,416	
Rent	1,894	
Insurance	372	
General expenses	85	
Premises	95,420	
Motor vehicles	16,594	
Accounts receivables	26,740	
Accounts payables		16,524
Cash at bank	16,519	
Cash in hand	342	
Drawings	8,425	
Capital		138,066
	345,166	345,166
Inventory at 31 December 2020 was Shs. 12,408		

Required:

- Prepare the income statement for the year that ended on 31st Dec 2020 (13 marks)
- Prepare the Balance Sheet as at 31st Dec 2020 (12 marks)

Question 4

- Explain any five ultimate role or purpose of accounting information (10 marks)
- Explain any five internal and external users of accounting information in the business world. (10 marks)
- Differences between cash discount and trade discount (5 marks)

Question 5

The following trial balance was extracted from the books of M Jackson on 30th April 2020.

	Dr (Shs)	Cr (Shs)
Sales		18,614
Purchases	11,570	
Inventory at 1st May 2006	3,776	
Carriage outwards	326	
Carriage Inwards	234	
Returns inwards	440	
Returns outwards		355
Salaries and wages	2,447	
Motor expenses	664	
Rent	576	
Sundry expenses	1,202	
Motor vehicles	3,400	
Fixtures and fit Tings	600	
Accounts receivables	4,577	
Accounts payables		3,045
Cash at bank	3,876	
Cash at hand	120	
Drawings	2,050	
Capital		13,844
	35,858	35,858

Additional Notes

- Closing inventory amounted to 4,000/=
- Depreciation is to be charged at rates of 10% on cost for fixtures and fittings and 25% on cost for motor vehicles.
- Bad debts of 800/= are to be written off.
- Provision for bad debts is shs.800

Required:

- a) Prepare end of year income statements for M Jackson for the year ended 31st Dec 2020
b) Balance sheet statement as at that date (12 Marks)

Question 6

SASS enterprises commenced business in March 2004 with cash amounting to \$1,000,000.

March 5th Bought goods by cash worth \$100,000.

March 10th Paid stationery cash \$100,200.

March 12th Sold goods amounting to cash \$ 300,000.

March 15th Paid rent and rates cash \$ 60,000

March 20th Paid cash for salaries \$40,000.

March 25th Bought land for cash \$400,000.

March 26th Sold goods worth \$300,000 Cash

March 27th Bought a Motor cash \$350,000

Required: Prepare the ledgers and extract a Trial Balance for that period.

(25 marks)

END. WISHING YOU SUCCESS.