

$$\frac{19}{21} = \frac{40}{40}$$

$$\frac{40}{45} = \frac{40}{45}$$

1500

UGANDA MARTYRS UNIVERSITY, RUBAGA CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

CODE: ACC 1201 FUNDAMENTAL ACCOUNTING I

Date: 09th December 2014.

Time allowed: 3 hours

6:00pm -9:00pm

Instructions to Candidates:

- 1) Do not write anything on this question paper.
- 2) Attempt any 4 questions.
- 3) Question 1 is compulsory and carries 40 marks
- 4) Attempt any other 3 question based on your choice; the carry equal marks
- 5) Avoid untidy work .

Question 1

The following Trial balance was prepared by BAM I traders' as at 31st October 2013

DETAILS	DEBIT Shs (000)	CREDIT Shs (000)
Ordinary Share Capital		390,000
Purchases /Sales	250,000	480,000
Loan from Centenary bank		800,000
Returns	1,000	10,000
Discounts	7,000	4,000
Inventory 1.November 2012	36,000	
Office expenses	89,000	
A/Cs receivables /Payables	102,000	78,000
Advertising	19,000	
Travelling expenses	7,500	
Salaries and wages	39,000	
Drawings	30,000	
Motor vehicle at cost	140,000	
Fixtures and fittings	500,000	
Equipment	500,000	
<i>Provision for bad debts</i>		1,000
<i>Provision for depreciation</i>		
<i>Motor vehicle</i>		15,000
Cash in hand	36,000	
Cash at Bank	21,500	
	1,778,000	1,778,000

Adjustments;

- Inventory on 31st October 2013 was shs.70.000,000
- Office expenses include:shs.39,000,000 paid for November 2013 and travelling includes carriage inwards of shs.1,500,000
- Salaries due at 31st October 2013 shs.8,000,000
- A provision of 5% for doubtful debts is to be made.
- Goods worth shs 10,000,000 were withdrawn for personal use
- Provide depreciation on fixtures and fittings and motor vehicle at 12% and 10% respectively on reducing balance method.

Required: Prepare statements of comprehensive income and financial position

Question 2

- Differentiate between a cash discount and a trade discount (2 Marks)
- Write up a three column cashbook from the details of Bisoboka Enterprises Ltd.(16 Marks)
- Post the entries to the discount accounts.(2 Marks)

The transactions are as follows;

August 2013

- 1 Cash balance shs 1,500,000, Bank balance shs 350,000(CR).
- 2 Cash sales of shs 650,000 with 7.5% discount.
- 3 Paul paid cash shs 200,000 with 15% discount.
- 5 Paid Bua by cheque shs 250,000 in full settlement of the amount due of shs 300,000.
- 7 Cash sales paid directly into the bank shs 2,500,000.
- 8 Cash purchases were shs 120,000.
- * 10 Received from Moses cash shs 275,000 having allowed him a discount of shs 25,000.
- 12 Receiyed cash shs 270,000 less 3.5% discount from James.
- 13 Cash sales amounted to shs 250,000.
- 14 John settled his account by cash shs 450,000 having deducted a discount of 10%.
- 15 Cashed a cheque for shs 160,000.
- 17 Paid Mukisa's account of shs 440,000 by cheque deducting 2.5% discount.
- 19 Bought office furniture by cheque shs 350,000.
- 21 Drew cash shs 45,000 from bank for private use.
- 28 Bank charges for cheque book shs 10,000.
- 28 Interest charges for cheque overdraft shs 15,000.
- 29 Paid Alex by cheque shs 325,000 less shs 25,000 discount received.
- * 30 Banked all the cash received except shs 350,000.

Bank
capital 20m

cap
cam 30m
202 - 2017 - 200

Question 3

- (a) List any five errors four errors that can be revealed by the trial balance (4 Marks)
(b) The following transactions are for EASY investments Ltd. for the month of January 2014.

Jan 1 started business with cash shs 30,000,000 and shs 25,000,000 bank.

Jan 1 bought goods on credit from Jennifer for shs. 1,400,000.

Jan 2 bought goods on credit from Kyobe for shs 2,200,000.

Jan 3 sold goods to Samuel on credit for shs 5,000,000.

Jan 4 sold goods to stella on credit for shs 6,400,000.

Jan 5 returned goods worth shs 50, 000 to Kyobe because they were defective.

Jan 10 received part payment of shs 800,000 cash from Samuel for goods taken on credit.

Jan 12 made part payment to Jennifer shs 80,000 cash.

Jan 14 purchased goods for shs 60,000 on credit from Bakabulindi.

Jan 15 Stella rejected and returned goods worth shs 40,000.

Jan 16 received a cheque of shs 150,000 from Samuel as part payment for the goods

Jan 17 paid rent cash shs 100,000.

Jan 18 returned goods worth shs 50,000 to Kyobe because they were defective.

Jan 19 paid Jennifer shs 150,000 by cheque.

Jan 20 sold goods to John on credit for shs 800,000.

Jan 22 bought goods for shs 100,000 paying cash.

Jan 23 sold goods for cash shs 500,000.

Jan 24 sold goods for shs 4,000,000 receiving payment by cheque immediately.

Jan 25 purchased goods for shs 100,000 from Racheal on credit.

Jan 26 paid Racheal shs 80,000.

Jan 27 John rejected and returned goods worth shs 100,000.

Jan 27 received a loan of shs 55,000,000 from stanbic bank.

Jan 28 received a cheque of shs 200,000 from John for goods sold to him on credit.

Jan 29 paid for electricity shs 50,000 by cheque and 100,000 shs cash.

Jan 30 paid rent shs 60,000 by cheque.

Jan 31 paid salaries shs 1,000,000 cash and 2,500,000 by cheque.

Required;

Post the transactions into ledger accounts and prepare EASY investments trial balance.

Question 4

- (a) Describe the accounting cycle or process (10 Marks)
- (b) Explain any 5 of the following terms as used in accounting
 - i. Business entity concept -
 - ii. Going concern -
 - iii. Duality -
 - iv. Money measurement -
 - v. Prudence - *Prudence*
 - vi. Consistency -
 - vii. Imprest system
Account - Cash & 90

Question 5

- (a) Examine any four causes of dishonoring a cheque (4 Marks)
- (b) The following was from the bank column of Mugezeeko's cash book.

CASH BOOK

2013 July	shs	2013 July	shs
2 nd Okecho 1,700,000 ✓		1 st Balance b/d 2,100,000	
7 th Onyango 880,000 ✓		10 th Tebisoboka 1,000,000 <i>X 500,000</i>	
10 th Opondo 2,100,000 ✓		17 th Nambi 620,000 *	
23 th Musoke 1,660,000 *		30 th Nandutu 814,000 *	
		30 th Balance c/d	2,510,000
	6,340,000		6,340,000

The bank statement that was sent on 31st July 2013 appeared as follows.

BANK STATEMENT

DATE	DETAILS	DEBIT (Shs)	CREDIT (Shs)	BALANCE(Shs)
July 1 st	Balance b/f			2,100,000 O/D
5 th	Standing order		500,000	2,600,000 O/D
6 th	Okecho		✓ 1,700,000	900,000 O/D
9 th	Traders credit		1,300,000	400,000
10 th	Onyango		✓ 880,000	1,280,000
14 th	Tebisoboka	✓ 1,800,000		520,000 O/D
14 th	Osilo		2,150,000	1,630,000
20 th	Mande	920,000		710,000
30 th	Bank charges	36,000		674,000

Note: The cheque issued to Tebisoboka was shs.1,800,000 and not 1,000,000

Required:

- Prepare (a) Adjusted cashbook (8 Marks)
- (b) Bank reconciliation statement.

Question 6

The following transactions were extracted from the books of Byangu traders Ltd for the month of March 2014.

March 1st purchased goods on credit from Sam shs.300,000

2nd bought goods from Grace worth 450,000

5th cash sales shs.500,000

5th sold goods to Sarah shs.650,000

6th bought goods from Tonny shs.350,000

7th some of the goods were returned to Sam shs 50,000 *210*

8th credit sales to Mubiru shs.250,000

10th Grace returned some goods worth shs.55,000 *210*

11th bought goods from Musa shs.635,000

- 13th sold goods on credit to Nakato shs.3380,000
14th credit purchases from Gilbert shs.235,000
15th some goods were returned to Tonny shs. 90,000
16th Nakato returned goods worth shs.45,000
20th credit sales to Martin shs.520,000
21st cash sales to Bisoboka shs.400,000
23rd credit purchases from Dan shs.25,000
27th Martin returned goods worth shs.69,000
29th credit purchases from Phiona shs.530,000
31st returned goods to Phiona shs.135,000

Required:

Prepare Byangu traders' Ltd respective Journals and post transactions in the

- i. General ledger
- ii. Purchases ledger
- iii. Sales ledger

Success