



OLABISI ONABANJO UNIVERSITY, AGO-IWOYE
FACULTY OF EDUCATION
DEPARTMENT OF EDUCATIONAL MANAGEMENT AND BUSINESS STUDIES
2017/2018 HARMATTAN SEMESTER EXAMINATIONS

EXAMINATION: Bachelor of Business Education Examination
COURSE CODE: BBE 301
COURSE TITLE: Financial Accounting
COURSE STATUS: 2 Units Compulsory
TIME ALLOWED: 2 Hours
INSTRUCTIONS: Attempt question 1 and any other 2 questions.

1. M. Bimbo runs a business at Allens Avenue. The business comprises of three departments, (1) Restaurant (2) Beauty Salon and (3) Sale of Garments. The trial balance extracted from his books at 31st December, 1999, was as shown below

Particular	N	N
Capital account		720,000
Drawings	144,000	
Land and building	1320,000	
Kitchen Equipment at cost	160,000	
Hair Dryers at cost	80,000	
Hungers & Doll at cost	60,000	
Provision for depreciations:		
Kitchen Equipment		48,000
Hair Dryers		24,000
Hangers and Dolls		18,000
Stock 1/1/99:		
Raw foods and drinks	30,000	
Garments	210,000	
Cosmetics	15,000	
Debtors	126,000	
Bank		300,000
Cash in hand	6,000	
Creditors		90,000
Sales-Restaurant		1,800,000
Beauty salon		2,400,000
Garments		4,800,000
Purchases-food& drinks	1,440,000	
Cosmetics	1,200,000	
Garments	3600,000	
Wages- caterers	192,000	
Hair stylists	900,000	
Sales ladies	258,000	
Office personnel	180,000	
Rates	10,000	
Electricity	18,000	
Advertising	36,000	
Office expenses	108,000	
Bank interest	27,000	
	10,200,000	10,200.00

Notes:

1. Stock at 31st December, 1999 made up

Food and Drinks	36,000
Cosmetics	18,000
Garments	300,000

2. Expenses are to be apportioned as follows

	Restaurant	beauty salon	garment
Rates	1	2	2
Electricity	1	2	2

All others are in proportion to sales

3. Depreciation on fixed assets, except land and building are to be provided at 5% on cost

You are required to prepare departmental trading and profit and loss account for the year ended 31st December, 1999 and a balance sheet as at that date. (30 Marks)

2. Markus Enterprises has its head office in Lagos and a trading branch at Ise-Ekiti. The head office buys all goods and invoice them to the branch at cost. The following were the relevant information in respect of the branch for the year ended 31st December, 1991:

1 st January, 1990	₦
Stock	12,500 ✓
Debtors	20,400
During the year 1990:	
Goods form head office to branch	150,000
Goods returned to head office by branch	3,000
Sales: cash	86,800
Credit	130,200
Returns by customer:	
To branch	4,620
To head office (cost ₦ 1,700)	2,380
Discount allowed to customer	2,604
Bad debts	1,302
Cash received on ledger account	136,494
Rent, rates and insurance	2,800 ✓
Wages and salaries	7,200 ✓
General expenses	2,400 ✓
Stock at 31 st December, 1990	7,500

You are required to show in the Head office book

- i. Goods to Branch Account
- ii. Branch Stock Account
- iii. Branch Debtors Control Account
- iv. Branch Profit and Loss Account

(20 Marks)

4200

1625m

3. Rosemary is a cloth seller at Gbagi market in Ibadan. Oyo State. The following balances were extracted from his books on 31st March, 2007.

Sales	922,326
Sales ledger control	86,580
Stock-in-trade 1/4/06	64,464
Trade subscriptions	312
Telephone and postages	2,652
Travellers commission	44,904
Salaries	31,296
Rent paid	6,840
Purchases	759,198
Purchases ledger control	37,074
Printing expenses	4,734
Petty cash in hand	96
Equipment and office furniture	9,720
Electricity	2,436
Insurance	1,512
Miscellaneous expenses	9,138
Drawings - Rosemary	21,162
Discount allowed	2,310
Discount received	4,356
Cash at Bank	25,392
Capital Account-Balance 1/4/06	110,442
Bad debts written off	1,452

Additional information:

- (a) Amount owing by Rosemary on 31 st March, 2007 were Rent N2,280 Travelers commission and expenses N3,690, Electricity N336.
 (b) Stock at 31 st March, 2007 was N57,336
 (c) Provision:
 Accountancy charges N 1,386
 Doubtful debts N1,740
 (d) Office furniture and equipment is to be depreciated by 20 per cent.

You are required to prepare:

- (i) Trading and Profit and Loss Account for the year ended 31 st March, 2007 and
 (ii) A Balance Sheet as at that date. (20 marks)

4. Prepare manufacturing, trading, profit and loss accounts from the following balances of Cumslank Ltd for the year ended 31 December 2005

Stocks at 1 January 2005	N
Raw Materials	9,225,000
Work in Progress	11,800,000
Finished goods	8,735,000
Purchases: Raw Materials	32,650,000
Carriage on raw materials	802,500
Direct labour	32,905,000
Office Salaries	8,460,000
Rent	1,350,000
Office lighting and heating	2,880,000
Depreciation: Works Machinery	4,150,000
Office Equipment	975,000
Sales	100,300,000
Factory fuel and power	2,960,000

Additional Information:

a. Rent is to be apportioned: Factory $\frac{2}{3}$; office $\frac{1}{3}$

b. Stocks at 31 December, 2005 were: Raw materials N10,105,000; Work in progress N8,695,000; finished goods N10,742,500 (20 Marks)