



OLABISI ONABANJO UNIVERSITY, AGO-IWOYE
DEPARTMENT OF EDUCATIONAL MANAGEMENT AND BUSINESS STUDIES
RAIN SEMESTER EXAMINATIONS
2016/2017 ACADEMIC SESSION

EXAMINATION: Bachelor of Business Education
COURSE CODE: BED 202
COURSE TITLE: Principles of Accounting
COURSE STATUS: 2 Units Compulsory
TIME ALLOWED: 2 Hours
INSTRUCTIONS: Attempt questions 1 and any other 3 questions

1. Identify and Explain any five basic accounting concepts ? (10 marks)
2. From the following information, you are required to write up the sales ledger control account and purchases ledger control account for Magboran Ltd.

	N'000	
Amount due to suppliers 1 Dec 2015	48,032	3
Amount due from customers 1 Dec 2015	46,840	1
Transactions for the month of May:		
Sales	26,240	1
Purchases	20,280	4
Cash paid to suppliers	17,300	3
Bills payable accepted	900	3
Cash received from customers	28,400	2
Discount from suppliers	960	3
New bills receivable	120	2
Purchases returns	140	4
Discount allowed to customers	1,080	4
Sales returns	260	3
Bad debts written off-	140	2
Bills received dishonoured	480	1
Interest charged to customers	140	2
Cash paid to customers on outstanding credits	60	2
Empty containers returned to suppliers (charged originally as purchases)	420	3
Debtors and Creditor accounts offset by contra	300	3, 2

(20 marks)

3. On 31st July 2009, Fakunle's Cash book showed a debt balance of ₦ 3,800. His bank statement showed an overdraft balance of ₦ 940. On investigations, the following errors were discovered:
- A cheque of ₦ 680 paid to Nestle Plc had been entered in the cash book as ₦ 860.
 - The bank received a credit transfer of ₦ 200 from customers.
 - A standing order payment of ₦ 60 had not been entered in the cash book.
 - Cash paid into the bank for ₦ 200 had been entered in the cash book as ₦ 180
 - A transfer of ₦ 3,000 to Capital Bank had not been entered in the cash book
 - The cash book balance had been incorrectly brought down at 1st August 2009 as a debit balance of ₦ 2,400 instead of a debit balance of ₦ 2,200.
 - Bank charges ₦ 40 did not appear in the cash book
 - Cheques paid into the bank had been incorrectly totalled. The amount should have been ₦ 340 instead of ₦ 300.
 - Cheques drawn amounting to ₦ 80 had not been paid into the bank.
 - A receipt of ₦ 20 shown on the bank statement had not been entered in the cash book.
 - A cheque for ₦ 100 was dishonoured.
 - Receipts of ₦ 1,800 paid into the bank on 31st July, 2009 did not appear on the bank pass sheet until August.

You are required to prepare: (i) A statement showing the adjusted cash book balance

(ii) A bank reconciliation statement as at 31st July, 2009

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	₦
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 2/3; office 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)

5. Akinyemi is a cloth seller at Imososi market in Ago-Iwoye, Ogun State The follow balances were extracted from his books on 31st December, 2016.

Sales	922,326
Sales ledger control	86,580
Stock-in-trade 1/1/16	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 December, 2016 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 December, 2016 and

(ii) A Balance Sheet as at that date.

(20 Marks)