

TAKORADI TECHNICAL UNIVERSITY
END OF FIRST SEMESTER EXAMINATION – RESIT 2019

PROGRAMME	HND IN INFORMATION TECHNOLOGY– YEAR TWO (REGULAR/EVENING)
COURSE	ICT 215 - INTRODUCTION TO ACCOUNTING
TIME	2 HOURS, 30 MINUTES
INSTRUCTION	Answer any 4 out of the following six questions.

Question 1

- a. Manufacturing Accounts are prepared with two (2) main reasons. Mention these two (2) reasons. (5 marks)
- b. Write extensively with examples on the following Accounting terms:
 - i. Factory overheads
 - ii. Cost of production
 - iii. Direct costs
 - iv. Manufacturing profit
 - v. Materials used or consumed (4 marks each)

Total:25 marks

Question 2

- a) Extract a trial balance from the following list of balances from the books of KWAKU BOAKYE,
a sole trader on 31 March 2015

20 Marks

	GHC'000
Purchases	1,200
Sales	2,695
Carriage on purchases	90
Land and building (cost)	2,000
Furniture and Fittings	1,000
Motor Vehicle	2,000
Provision for Depreciation:	
Furniture and Fittings	300
Motor vehicles	600
Discount Allowed	125
Discount Received	117
Inventory (1/4/12)	350
Returns Inwards	180
Returns Outwards	100
Carriage outwards	95

Rent and rates	110
Wages and salaries	254
Advertising	58
Insurance	60
Light and heat	88
Office expenses	60
Repairs on building	90
General expenses	45
Bad debts	66
Provision for bad debts	30
Electricity	40
Accounts payable	285
Accounts receivable	390
Cash in hand	136
Cash at bank	500
Drawings	180
Capital	4,490
Bank loans	1,000
Investment	500

b) Enumerate any seven (5) errors in accounting, when committed, yet the trial Balance will agree or balance. 5 Marks Total 25 marks

Question 3

- a) On March 1, 2019, a petty cashier was given a cash float of GHC 600.00 for the quarter ended 31st March, 2019. Re-imbursement was made as and when necessary.

Expenditures incurred for the quarter were as follows:

			GHC
MARCH 1	-	Received opening balance, cash	600.00
" 1	-	Paid for stamps	100.00
" 2	-	Purchased envelopes	35.00
" 3	-	Paid for "Vim" Cleaner	25.00
" 3	-	Paid wages of casual cleaner	50.00
" 4	-	Paid milk bill for office tea	22.50
" 5	-	Bought glue	10.00
" 8	-	Refund of taxi fare to office staff	55.00
" 9	-	Purchased tea	25.00

"	10	-	Cost of telegrams	30.50
"	11	-	Purchased of stamps	25.00
"	11	-	Purchase of office supplies	27.50
"	12	-	Bought sugar for office tea	27.50
"	16	-	Wages for cleaner	25.00
"	17	-	Bus fares	28.00

You are required to prepare:

- An analytical petty cash book for the quarter ended 31st March, 2019 with the following analysis columns:
 - Stationery
 - wages
 - Cleaning
 - Miscellaneous
- (20 marks)
- b) Explain the term "reimbursement" as used in Accounting. (5 marks)

(TOTAL: 25 MARKS)

Question 4

- a) Define Balance sheet (2 marks)
- b) State the content of a Balance sheet (4marks)
- c) State the rationale of a Balance sheet (2 marks)
- d) Prepare a balance sheet under proper headings from the following information relating to John Mensah's business at 31 January 2009.

	GHC	
Tools and equipment	9,000.00	
Inventory of unsold goods	29,180.00	
Owing for goods purchased	6,180.00	
Owing for goods sold	13,360.00	
Money held in the cash till	2,050.00	
Overdrawn amount from the bank	1,500.00	(12 marks)

- e) State the balance sheet equation and illustrate it using the figures in the balance sheet in b). (3 marks)
- f) Write down the accounting equation if all the resources of the business had been provided. (2 marks)
- (TOTAL: 25 marks)

Question 5

- a) State and explain the four (4) fundamental Accounting concepts and conventions. (10 mks)
- b) Enumerate the various day books and state the purposes for which they are used for. (10mks)
- c) Explain briefly: summarizing, classifying and recording as used in Accounting. (5 marks)
- TOTAL: (25 MARKS)

Question 6

The following is a trial balance extracted from the books of Akua Dadaba on 31st October 2008.

	DR	CR
	GHC	GHC
Debtors and Creditors	41,000	38,400
Capital		90,300
Drawings	22,800	
Cash in hand and at Bank	6,600	
Bad debts	200	
Provision for Depreciation:		
Fittings and Fixtures		2,600
Vehicles		4,800
Vehicle at cost	12,000	
Fittings and Fixtures	6,400	
Premises at cost	62,000	
Motor expenses	6,300	
Wages	68,400	
Rates and Insurance	6,100	
Light and Heating	4,400	
Discounts	400	200
Carriage Outwards	300	
Carriage Inwards	700	
Returns	600	800
Purchases and Sales	432,400	550,000
Stock 1/11/2007	16,500	
Total	687,100	687,100

The following information is also available:

- a) stock at close amounted to GHC 18,400
- b) 20% of the cost price of the Vehicles and 10% of the cost price of Fittings and Fixtures is to be written off as depreciation.
- c) GHC 1,300 of the motor expenses are deemed to have been for AkuaDadaba's own use.
- d) Rates have been prepaid by GH 200 and there is an amount of GHC 450 outstanding for heating,
- e) A provision for bad debts equivalent to 2% of Debtors is to be created.

You are required to:

- i) Prepare the trading, profit and Loss accounts of AkuaDadaba for the year ended 31st October 2008

(15 MARKS)

- ii) and a statement of financial position as at that date.

(10 MARKS)

TOTAL: (25 MARKS)