



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**OCTOBER 2013 EXAMINATION**

**Course Code: BHM 757**

**Credit Unit: 3**

**Course Title: PRINCIPLES OF ACCOUNTING**

**Time Allowed: 2Hrs**

**Instruction: 1. Attempt any FOUR questions of your choice.**

**2. Question one is compulsory.**

**3. Each question carries equal marks except question one.**

1. From the receipt and payment account given below, prepare the  
Income and Expenditure account of Eagles' Club Lagos for the year 2010.

Receipts Amount		Payments Amount
N		N
Balances b/d:		Salaries paid
Cash in hand		12,400
2,000		Additions to library
Cash at bank		2,700
10,000		Typewriter purchases
Entrance fees	10,	2,600
400		Repairs
Subscriptions:		1,000
1986-N6,000		Electric fittings
1987-N26,000		18,000
1988-N2,000		Printing and Stationery
34,000		3,800
Sales of newspaper		Miscellaneous expenses
240		600
Rent of Library hall		Balances c/d:
4,160		Cash in hand
Proceed from entertainment		800
12,000		Cash at bank
		<u>1,300</u>

Special subscriptions for Governor's party <u>6,400</u>  79,000	79,000
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(25 marks)

2. Find out the cost of goods sold from the following figures extracted from the books of Hyfeth Ltd for the year ended 2005.

	N
Stock (1 <sup>st</sup> January, 2005)	50,000
Purchases	1,000,000
Sales	1,500,000
Purchases returned	50,000
Stock (31 <sup>st</sup> December 2005)	70,000
Direct expenses	60,000
Indirect expenses	100,000

Show all working  
(15 marks)

State five distinguishing features between sale and consignment.

(15 marks)

3. List and enumerate the three major accounts kept by Non-Trading Organization.

(15 marks)

4. Discuss five similarities and differences between consignment and Joint Venture.  
(15 marks)

5. Explain the three major types of Royalties with examples.  
(15 marks)