



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
SCHOOL OF AGRICULTURAL SCIENCES
SEPTEMBER/OCTOBER 2015 EXAMINATION**

COURSE CODE: AEC 306

COURSE TITLE: FARM RECORDS AND ACCOUNTING

TIME ALLOWED: 2 HRS

INSTRUCTION: ANSWER ANY FOUR (4) QUESTIONS

- 1a. List any two (2) types of records a farmer should keep in his farm. (10Pts)
- 1b. states the five (5) principles of Record Keeping (3x5=15pts)
- 2a. Define the following terms (5x2=10)
- Current ratio
 - Debt to asset ratio
- 2b. what are the three (3) divisions of book keeping and accounting. (3x5=15pts)
- 3a. Name and write short notes on each of the tools used for analyzing farm records.(3+4x3=12)=15pts)
- 3b. What are the four (4) major ways farm assets can be valued. (4x2.5=10)
- 4a. Define Trial balance and state it uses or purposes (5pts)
- 4b. What are the procedures for extracting the trial balance (3x5=15pts)
- 5a. Name the five (5) methods used for calculating Depreciation (2x5=10pts)

5b. A machine cost 100,000 and the rates of Depreciation for its use is 20% per annum. Calculate the Depreciation charge on the machine for 4years using the reducing balance method.(formular=5; calculation =10, total= 15pts)

6a. What is a Bad Debt and what are the circumstances leading to it.(5pts)

6b. The accounting year of Ajewole and Sons Enterprises runs from January to December every year. During the three years ended 31st December 2004, 2005 and 2006, the following debt were found to be irrecoverable and were subsequently written off to bad dept account on the stated dates below: (20pts)

	₦
28 th February 2004 T.Taiwo	10,000
31 st May, 2004 K. Kehinde	25,000
30 th November, 2004 I. Idowu	15.000
31 st January, 2005 A. Alaba	30,000
31 st July, 2005 O.Ojo	5,000
31 st August, 2006 Y.Yemisi	8,000
1 st December, 2006 K. Kokumo	9,000

On 31st December, 2004, 2005 and 2006, the outstanding figure for total debtors from sales ledger account was ₦600,000, ₦800,000 and ₦500,000 respectively. It is the company's policy to make 5% provision for doubtful debts at the end of the years.

You are required to prepare for the years 2004 to 2006.

- Bad debt accounts with provision inclusive
- Profit and loss account (extracts)