



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

Course Code: HCM 334

Credit Unit: 2

Course Title: FINANCIAL ACCOUNTING

Time Allowed: 3Hrs

Instruction: Attempt any three questions of your choice. Question one is compulsory.

Each question carries equal marks except question one. Present your answer legibly and logically using relevant examples.

1. (a) Differentiate between Financial Accounting and Management Accounting using five bases of comparisons. (10 marks)
- (b) State five users of Accounting information and their information needs. (10 marks)
- (c) Enumerate and discuss any five accounting concepts you know. (10 marks)
2. (a) iWhat is accounting conventions? (4 marks)
- iiCritically review any three conventions of accounting. (6 marks)
- (b) iDiscuss the four main features of Accounting as a discipline. (4 marks)
- ii List and explain six uses of a general ledger. (6 marks)
3. (a) iDefine ledger and explain its classifications. (10 marks)
- liA. Akin had the following balances for the first week of February 2011:
N
Feb. 1. Balance of cash in hand 8,400
Feb. 1. Purchased goods for cash 5,600
Feb. 1. Received from L. Na'Allah and Sons in full settlement of account after allowing for a discount of N300.6,500
Feb. 1. Paid Musa Beбето after receiving a discount of N200 9,400
Feb. 2. Cash Sales 13,500
Feb. 3. Paid electricity bill for January 900
Feb. 3. Paid Buba Stores (Received discount of N400) 7,700

- Feb. 4. Received cash from T.Tata stationeries in full settlement of account less N100 cash discount
5,200
- Feb. 5. Received from Abdussalam printers
3,200
- Feb. 6. Paid Kyauta on account
2,400
- Feb. 7. Purchased goods for cash (Trade discount of N500 was allowed)
7,800
- Feb. 7. Sold for cash goods, N8, 200 (allowed customer a trade Discount of N400) 8,200
- Enter the above transactions in a two-column cashbook. (10marks)

4. (a) The following items are to be entered in a petty cash book.
Columns are to be headed up for Traveling expenses, Postages, Motor expenses, Stationery and Sundry expenses. The book is to be maintained on the imprest system, reimbursement takes place on the last day of each month. The opening petty cash float is N5,000 received on 1st January, 2013.

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Jan.1. Motor spare parts		2,200	
Jan.3. Post office stamps		150	
Jan.6. Bus fare		190	
Jan.8. A.A Rano - Petrol		1,000	
Jan.9. E.P& Co.-Stationery		80	
Jan.10. Bus fares		50	
Jan.11. Post office: Stamps	210		
Jan.13. Sundry expenses	40		
Jan.15. Scrubbing brushes	20		
Jan.16. E.Mahmud-Stationery	180		
Jan.20. Bus fare		130	
Jan.28. Sundry expense	50		
Jan.30. Dankano Oil-Petrol		600	
Jan.31. Received reimbursement to bring cash float to desired level			

(10 marks)

- (b) Discuss three errors that do affect the agreement of trial balance. (6 marks)

- (c) Differentiate between open and closed cheques. (4 marks)

5. (a) Write short notes on the following

- (i) Current Account
- (ii) Savings Account
- (iii) Fixed Deposit Account

(20 marks)