



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING
AND FINANCE**

INTRODUCTION TO FINANCIAL ACCOUNTING

HBAF 102

PART 1 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: FEBRUARY 2023

TIME: 3 HOURS

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other **three (3)**
3. Each question carries *25 marks*
4. Start each question on a new page

1. Examine the contributions made by accounting information System in a business of your choice (25 Marks)

2. Explain the following terms as they relate to financial accounting:

- (a) Accounts Payable Function (5)
- (b) Accounts Receivable Function (5)
- (c) Inventory Control Function. (5)
- (d) Payroll Function (5)
- (e) Accrual vs Matching (5)

3. Explain any five accounting concepts that are relevant to a business of your choice (25 Marks)

4 . The following financial information was obtained from the lost books of Makanaka Pvt Ltd:

2021 Jan. 1, Mohan started business with cash 80,000 and had an opening bank balance 20 000

Jan. 6 Purchased goods from Ram on credit 30,000

Jan. 8 Sold goods on cash 6,000

Jan. 15 Bought Furniture from Yash for cash 8,000

Jan. 18 Paid Salary to manager for cash 6,500

Jan. 20 Paid Rent to land lord in cash 1,000

Jan 21 Paid office and Equipment by bank amount of 10000

Required: Prepare a trial balance from the following transactions, Statement of comprehensive income and a balance sheet extracts of Makanaka Pvt Ltd (25 Marks)

5. The following information is available after the Cash Book of MB Stores was compared with their Bank Statement at 30 September 2022.

Information

- (i) The Cash Book showed an overdraft of \$10 100.
- (ii) The Bank Statement showed a debit balance of \$10 568.
- (iii) The deposit of \$7 654 does not appear on the Bank Statement.
- (iv) Cheques not yet presented for payment:

Cheque \$805

Cheque \$690

(v) The bank recorded the following in the current bank account of Windhoek Stores:

Credit card levy \$150

Service fee \$243

Interest on overdraft \$163

(vi) A cheque for \$260 received from P. Peters was dishonoured by the bank.

Discount allowed on this cheque was \$30.

(vii) A payment by a debtor, D. Sunshine, for \$3 000 appears in the Bank

Statement and not in the Cash Book.

(viii) The Bank Statement showed a debit order for \$693 in favour of Deadsure

for an insurance premium.

(ix) T. Strong, a tenant, deposited his monthly rent directly into the bank account, \$4 200.

Required:

a) Make supplementary entries in Cash Book of MB Stores on

30 September 2022.

b) Draw up the Bank Reconciliation Statement on 30 September 2022. (50 Marks)

6. Explain any five types of errors that do not affect the trial balance (25 Marks)

End of Paper