



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

BACHELOR OF COMMERCE HONOURS DEGREE IN LOGISTICS
AND SUPPLY CHAIN MANAGEMENT

INTRODUCTION TO FINANCIAL ACCOUNTING FOR BUSINESS
HLSM 112

PART 1 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: DECEMBER 2022

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

QUESTION 1

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

Information

- 1 The Cash Book showed an overdraft of \$10 100.
 - i) The Bank Statement showed a debit balance of \$10 568.
 - ii) The deposit of \$7 654 does not appear on the Bank Statement.
 - iii) Cheques not yet presented for payment:
Cheque \$805
Cheque \$690
 - iv) The bank recorded the following in the current bank account of Windhoek Stores:
Credit card levy \$150
Service fee \$243
Interest on overdraft \$163
 - v) A cheque for \$260 received from P. Peters was dishonoured by the bank. Discount allowed on this cheque was \$30.
 - vi) A payment by a debtor, D. Sunshine, for \$3 000 appears in the Bank Statement and not in the Cash Book.
 - vii) The Bank Statement showed a debit order for \$693 in favour of Deadsure for an insurance premium.
 - viii) T. Strong, a tenant, deposited his monthly rent directly into the bank account, \$4 200.

You are required to:

- 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. (25)

QUESTION 2

2. 'Financial Accounting is concerned with accounting information which is useful to management' Comment. {25}

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QUESTION 3.

The following Trial balance was extracted from the books of Peter as at 31 August 2019

	\$	\$
Capital at 1 September 2018		9850
Receivables and Payables	500	1000
Discounts	80	50
Purchases and Sales	12000	19000
Returns	1000	1450
Rent	2200	
Business Rates	800	
Sundry expenses	170	
Bank	750	
Motor vehicles at cost	4500	
Drawings	5850	
Provision for depreciation for motor vehicles		600
Stock on 1 September	4100	
	31950	31950

Notes

- 1: Inventory valued at cost price \$4550
- 2: Unexpected business rates \$150
- 3: Accrued rent \$200
- 4: Depreciate motor vehicles @ 10%

Required

A statement of comprehensive income for the year ending 31 August 2019 , together with a statement of Financial Position as at that date. (25 marks)

QUESTION 4

Explain any five fundamental accounting concepts (25)

QUESTION 5

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

QUESTION 6

The following transactions were extracted from the books of T Gweja for the month of March 2022

March 1: Commenced business with \$10 000 in the bank and Building worth \$5 000

2: Bought goods for \$3 000 on credit from Metro

3: Received a loan for \$1 000 from Ngoda by cheque

4: Bought his private motor car into the business valued at \$4 000

5: Paid rent \$500 by cheque

6: Took \$300 out of the bank and put it in a cash till

7: Cash sales \$6 000

8: Took \$400 cash for personal use

9: Returned goods worth \$200 to Metro

10: Repaid half of Ngoda's loan by cheque

Required

- (i) Record the above transactions in the journal (10 marks)
- (ii) Prepare ledger accounts and extract a trial balance (15 marks)

End of Paper