



FINANCIAL ACCOUNTING 3
7005

CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

JUNE XXXX

ADVANCED LEVEL

Specialty Name (Specialty Code)	ACCOUNTING ACC (CG)
Subject Title	FINANCIAL ACCOUNTING
Paper No.	3
Subject Code No.	7005

One and a half hours

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and TWO others.

Calculators are allowed.

You must use ONLY Blue or Black ink. No answer in Pencil will be marked.

All Appendices filled or completed should be handed in with your answer booklet and must be put in the appropriate answered number.

All necessary calculations must be shown.

You are reminded of the necessity for good English and orderly presentation in your answers.

You are advised to read carefully through the question paper, before you begin your answers.

Turn Over

XXXX/7005/3/C
© 2019 CGCEB

1. The following Trail Balance was extracted from the books of EWELI PLC as at 31/12/2019.

Elements	DR.CFAF	CR. CFAF
Share capital		61,820,000
purchases	46,000,000	
Sales		98,000,000
Sales return	808,000	
Purchase return		280,000
Discounts	910,000	704,000
Rent and rates	4,230,000	
General expenses	5,160,000	
Trade debtors	1,840,000	
Trade creditors		16,000,000
Cash in hand	4,200,000	
Stock 01/01/2019	6,100,000	
Plant and machinery	61,500,000	
Provision for plant and machinery		2,000,000
Motor vehicle	28,000,000	
General reserve		96,000
Profit B/F		408,000
Motor expense	4,000,000	
Total	179,308,000	179,308,000

Notes

- Stock in trade on 31/12/2019 was valued at 7,420,000 CFAF
- Rates paid in advance on 31/12/2019 amounted to 450,000 CFAF,
- General expense outstanding 240,000 CFAF
- Depreciation is calculated on plant and machinery at 5 % on reducing balance method and motor vehicle 10 % on cost.
- Provision for doubtful debts 8 % on debtors figure
- The directors recommend 2,000,000 CFAF on general reserve and 5 % on share capital for dividend to shareholders.

Required: For internal use,

- Prepare EWELI Plc statement of profit and loss for the year ended 31/12/2019 (16 Marks)
- Prepare the statement of financial position as at 31/12/2019 for EWELI PLC. (14 Marks)

Vertical format of presentation only.

(Total 30 Marks)

2. WASE, a sole trader who keeps incomplete records, has provided you with the following balances on 01/01/2018:

	CFAF
- Equipment	15,000,000
- Stock	2,000,000
- Trade creditors	800,000
- Trade debtors	500,000
- Bank overdraft	700,000

All business takings are deposited in the bank account daily. The following receipts and payments are traced from the bank account during the year 2018:

- Bank receipts	
• Trade debtors	1,200,000
• Sales	3,000,000
- Bank payments	

- Trade creditors 1,000,000
- Purchases 1,800,000
- Rents and rates 300,000

On 31/12/2018, the following balances are available:

- Equipment 12,000,000
- Stock 2,500,000
- Trade creditors 900,000
- Trade debtors 700,000
- Bank 400,000

Required:

- a) Prepare a statement of affairs as at 01/01/2018 to show the capital at start. **(9 marks)**
 - b) Determine the total amount of sales and purchases made by WASE for the year 2018. **(6 marks)**
 - c) Prepare a statement of comprehensive income for the year ended 31/12/2018 and a statement of financial position as at 31/12/2018. **(20 marks)**
- (Total 35 marks)**

3. The following are extracts from the final account of a trading company over its last two years:

Profit & loss statement

ELEMENTS	Year 1 (000 CFAF)	Year 2 (000 CFAF)
Purchases (all on credit)	216,000	285,000
Sales (all on credit)	675,000	834,000
Cost of sales	210,000	272,000
Gross profit	465,000	562,000
Net profit	130,000	200,000

Statement of financial position data

	YEAR 1		YEAR 2	
	CFAF	CFAF	CFAF	CFAF
Non-current assets		620,000		800,000
Current asset;				
Inventories	11,000		24,000	
Debtors	95,000		106,000	
Total current assets	106,000		130,000	
Current liabilities;				
Trade creditors	28,000		(39,000)	
Bank overdraft	39,000		(77,000)	
Taxation	10,000		(20,000)	
Proposed dividend	25,000		(30,000)	
Total current liabilities	(102,000)		(166,000)	
Working capital		4,000		(36,000)
Capital employed		624,000		764,000
Financed by:				
Share Capital	300,000		300,000	
Retained profit	224,000		374,000	
		524,000		674,000
Long term liability: Mortgage		100,000		90,000
		624,000		764,000

NOTE: stock at the beginning of year 1 is the closing stock of the same year.

Required

- a) Calculate two profitability ratios for both years. (10 Marks)
 - b) Calculate two liquidity ratios for both years (10 Marks)
 - c) Calculate two efficiency ratios for both years (10 Marks)
 - d) Briefly comment on the financial performance of the company over the two years. (5 Marks)
- (Total 35 marks)**

4. The balance sheet of upper House Plc is given below

	2017		2018	
	CFAF	CFAF	CFAF	CFAF
Trade mark				4,000
Office equipment		30,000		32,800
Stock	15,000		15,500	
Debtors	6,000		7,000	
Cash	14,000	35,000	19,580	42,080
TOTAL ASSET		65,000		78,880
Financed By:				
Share capital		35,000		55,000
Reserves		5,000		6,050
Profit retained		7,000		3,830
Loan		10,000		5,000
Creditors		8,000		9,000
TOTAL LIABILITIES		65,000		78,880

Notes:

Profit and Loss for 2017 was distributed as follows:

- general reserves 1,050,000 CFAF and dividend paid and proposed 5,590,000 CFAF
- Depreciation for 2018 amounted to 5,300,000 CFAF.
- During 2018 office equipment was bought for 15,000,000 CFAF cash. Also office equipment was sold for cash 7,500,000 CFAF with original value worth 10,000,000 CFAF and accumulated depreciation of 3,100,000 CFAF.
- There was an issue of shares which was paid by cash.

Required:

Prepare a cash flow statement for Upper House Plc as at 31/12/2018 as requires by IAS7.

(35 Marks)
(Total 35 marks)