

SOUTH WEST REGIONAL MOCK EXAMINATION GENERAL EDUCATION

THE TEACHERS' RESOURCE UNIT (TRU)

Cellule d'appui à l'action Pédagogique

IN COLLABORATION WITH

En collaboration avec

THE REGIONAL INSPECTORATES OF PEDAGOGY AND

THE SUBJECT TEACHERS' ASSOCIATIONS (STA)

WEDNESDAY, 6th APRIL 2022

ORDINARY LEVEL

Subject Title	ACCOUNTING
Paper Number	Paper 2
Subject Code Number	0505

TWO HOURS THIRTY MINUTES

INSTRUCTIONS TO CANDIDATES:

Answer FIVE questions choosing any THREE in section A and any TWO in section B

Calculators are allowed

OHADA Accounting Plans are authorised

In calculations, you **MUST** show all the steps in your workings

You are reminded of orderly presentation in your answers

SECTION A: OHADA ACCOUNTING

Answer any **THREE** questions from this section

1. You have just been recruited as an accountant in the company 'CHICCO LTD'. The company has specialised on buying and selling of provisions. It has its headquarter in LIMBE, PMB 70, Tel 333-22-25, Bank Account No 012 SGBC Limbe. The manager, Mr Emile handed to you the following files;

- Order placed by Jude on 10/03/2022 to CHICCO:
 - 50 cartons of perfume Avon at 17,000 CFAF each
 - 10 cartons of Lender at 15,000 CFAF each
- Invoice sent to Jude on 22/03/2022:
 - 50 cartons of perfume Avon at 17,000 CFAF each
 - 10 cartons of Lender at 15,000 CFAF each

At the following conditions: Trade discount 10% and 5%, Cash discount 1%, VAT 19.25% (round to the nearest unit) mode of payment: half by cash (voucher No 007) and the rest by bank cheque No 07 on the 25/03/2022. Mark up rate on selling price 25%.

Required:

- a) Prepare the invoice No 002 (8 marks)
- b) Present the bank cheque No 07 (Appendix 1) (5 marks)
- c) Make the journal Entries in the books of CHICCO LTD. (7 marks)

(Total 20 marks)

2. The following information concerns the movements of crates in MARLIA & SONS Enterprise:

01/01/2022: Initial stock in the warehouse is 760 crates and 540 crates with customers

04/01/2022: Consignment Note N° 011 to customer BUN, 360 crates.

05/01/2022: Purchases of containers: 1980 crates

10/01/2022: Customers EBUA returns 620 crates

11/01/2022: Broken crates from the warehouse amount to 90

12/01/2022: Unreturned crates sold to BUH: 120 crates

It is indicated that:

- Crates are bought at the cost of 3 000 CFAF
- Consignments are made at the price of 3 200 CFAF
- The selling price of a crate is equal to the consignment price.
- All transactions are made in cash.

Required:

- a) Enter this information in the Stock Card (appendix 2) (12 marks)
- b) Journalise the above stock card for MARLIA and Sons. (8 marks)

(Total 20 marks)

3. The payroll clerk of a Company provides the following information on one of the workers for the month of January 2016:

- The time card of this worker is presented as follows:

Weeks	MON	TUES	WED	THURS	FRI	SAT	SUN
1 st Week	10Hrs 1 st	12Hrs 2 nd	10Hrs 3 rd	08Hrs 4 th	08Hrs 5 th	09Hrs 6 th	/ 7 th
2 nd Week	08Hrs 8 th	10Hrs 9 th	08Hrs 10 th	08Hrs 11 th	08Hrs 12 th	12Hrs 13 th	06Hrs 14 th
3 rd Week	08Hrs 15 th	08Hrs 16 th	08Hrs 17 th	09Hrs 18 th	/ 19 th	10Hrs 20 th	/ 21 st
4 th Week	12Hrs 22 nd	08Hrs 23 rd	09Hrs 24 th	08Hrs* 25 th	10Hrs 26 th	06Hrs 27 th	04Hrs 28 th
5 th Week	12Hrs 29 th	10Hrs 30 th	10Hrs 31 st	08Hrs 1 st	08Hrs 2 nd	06Hrs 3 rd	/ 4 th

*Work in the night as from 10pm

- The 1st and 20th of January are Public Holidays.

Required:

- Compute the hours worked by the worker during the month of January.
(use appendix 3) (12 marks)
 - Compute the worker's gross earnings for the month by assuming that the worker is paid on hourly basis with a normal hourly rate of 600 CFAF. (8 marks)
- (Total 20 marks)

4. At stock-taking as at 31 December 2021, the situation of doubtful customers of JOKE JOKE Ltd is presented as follows:

Customers	Debts tax inclusive	Impairment as at 31/12/2020	Payment made during 2021	Observation as at 31/12/2021
Kwalar	667,800	40%	238,500	Provision 30%
Chick	536,625	30%	178,875	As final payment
Zifack	453,150	-	-	(1)

(1) Zifack, who is being wound-up, presents the following situations:

- Total real assets: 13,000,000 CFAF
- Preferential creditors (staff and state): 5,000,000 CFAF
- Unsecured creditors (including Shalom Ltd): 10,000,000 CFAF

Required:

- Prepare the statement of doubtful customers as at 31/12/2021. (using appendix 4) (12 marks)
 - Show the adjusting entries related to doubtful customers with the rate of VAT in force being 19.25%. (8 marks)
- (Total 20 marks)

5. On the 31st of December 2021, the following records were presented to you as the accountant of MARLIA Ltd for some verifications and adjustments:

5211-UNITED BANK OF AFRICA

Date	Description	Amounts	Date	Description	Amounts
Dec. 01	Initial balance	240,000	Dec. 12	Payment to supplier	420,000
Dec. 08	Cheque No 120.	312,000	Dec. 09	Payment of electricity	140,000
Dec. 11	Cheque No. 121.	225,000	Dec. 18	Advanced salary	300,000
Dec. 11	Bank transfer	350,000	Dec. 26	Payment of loan instalment	210,000
Dec. 11	Cheque No. 122	190,000	Dec. 31	Balance c/d	447,000
Dec. 11	Discounting statement	200,000			

MARLIA Ltd

BANK STATEMENT FOR THE PERIOD DECEMBER 01 TO 31 20XX

Date	Description	Debit	Credit	Balance
Dec. 01	Balance b/f			240,000
Dec. 05	Payment to Supplier	420,000		180,000
Dec. 10	Cheque No. 120		312,000	45,000
Dec. 13	Cheque No. 121		225,000	357,000
Dec. 14	Payment of Electricity bill.	104,000		253,000
Dec. 20	Bank transfer		350,000	603,000
Dec. 21	Advance payment of salary	300,000		303,000
Dec. 24	Cheque No. 124 to supplier	110,000		193,000
Dec. 26	Bills discounted		180,000	373,000
Dec. 30	Bank charges	12,000		361,000
Dec. 31	Bank interest		50,000	411,000

Required:

- a) Using appendix 5, establish the bank reconciliation statement as at 31/12/2021. (15 marks)
 b) Present the necessary adjusting entries. (5 marks)

(Total 20 marks)**SECTION B: IAS ACCOUNTING***Answer any TWO questions from this section*

6. On the 1st December 2020 the following balances existed in the entity's records.

	DR(000CFAF)	CR(000CFAF)
Receivables' ledger control account b/d	54,000	1,000
Payables' ledger control account b/d	200	43,000
The following information was extracted in 31st December 2020 from the entity's records		
Credit sales		251,000
Cash sales		34,000
Credit purchases		77,000
Cash purchases		29,000
Credit sales returns		11,000
Credit purchases returns		3,000
Amounts received from credit customers		242,000
Dishonoured cheques		500
Amounts paid to credit suppliers		74,000
Cash discounts received		2,000
Irrecoverable debts written off		4,000
Increase in allowances for receivables		1,200
Interest charged to customers		1,400
Contra settlements		800
At 31 December 2020 the balances in the Receivables and Payables ledgers, as extracted, totalled:		
	DR	CR
Receivables ledger balances	To be calculated	2,000
Payables ledger balances	200	To be calculated

Required:**Prepare:**

- a) Sales ledger control account
 b) Purchases ledger control account.

(10 marks)**(10 marks)****(Total 20 marks)**

7. You have been provided with the following trial balance extracted from the last financial year:

MATAH ENTERPRISE
 Trial balance as at December 31, 2020

Details	CFAF 000	CFAF 000
Sales revenue		1,160,000
Capital		170,000
Suppliers		12,000
Discount received		4,000
Inventory as at January 1, 2020	188,000	
Land and buildings	472,000	

Fixtures and fittings	180,000	
Motor van	168,000	
Provision for depreciation on:		
Fixtures and fittings		72,000
Motor van		96,000
Customers	30,000	
Bank balance		112,000
Purchases	440,000	
Salaries and wages	34,000	
General expenses	76,000	
Drawings	38,000	
	1,626,000	1,626,000

The book keeper also presented the following additional information to you;

- Stock of inventory as at December 31, 2020 was valued at 102,000,000 CFAF
- The owners made drawings of 12,500,000 CFAF cash within the period for personal expenses.
- The following rates of depreciation are application on a straight line basis; Fixtures and fittings 40% and Motor van 25%.
- Goods worth 2,000,000 CFAF were withdrawn by the owners for personal non business use within the year.

Required:

Prepare:

- Statement of comprehensive income for the year 31/12/2020.
- Statement of financial position as at 31/12/2020.

(10 marks)

(10 marks)

(Total 20 marks)

- A summary of the cash book of FOOT PRINT for the year ended 31 December, 2021 appears as follows:

CASH SUMMARY

	CFAF(000)		CFAF(000)
Balance as at 01/01/12	2,900	Purchased equipment	500
Collections at matches	8,100	Rents on pitch	1,200
Profit on refreshment	15,000	Secretary's expenses	300
		Ground man's wages	10,000
		Miscellaneous expenses	8,000
		Balance 31/12/2021	6,000
Total	26,000	Total	26,000

Further Information:

- At 01/01/21, equipment was valued at 6,000,000 CFAF
- Depreciation for equipment was 10% for the year.
- At 31/12/21, rent paid in advance was 600,000 CFAF.
- At 31/12/21, there was 40,000 CFAF outstanding for posting.

Required:

Present the income and expenditure account and the statement of financial position as at 31/12/2021.

(Total 20 marks)

Appendix 4 for Question 4 (to be handed in with answer sheets)
Statement of Doubtful Customers as at 31/12/2021

Doubtful Customers	Debt		Settlement 2021	Balance		Provision		Losses	
	VAT Inclusive	VAT Exclusive		VAT Inclusive	VAT Exclusive	2020	2021	On Debt	On VAT

Appendix 5 for question 5 (to be handed with your answer sheet)
Bank reconciliation statement

Details	Bank Account in MARLIA Ltd		Bank statement	
	Dr	Cr	Dr	Cr