

# GENERAL CERTIFICATE OF EDUCATION BOARD

## Technical and Vocational Education Examination

OHADA Financial Reporting  
5010

JUNE 2022

INTERMEDIATE LEVEL

Specialty Name and Acronym	ACCOUNTING (ACC)
Subject Title	OHADA Financial Reporting
Subject Code No.	5010
Paper No.	2

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**Duration: Two and a half hours**

### INSTRUCTIONS TO CANDIDATES

**This Paper has EIGHT Questions.**

Each **Question** carries 20 marks.

You are required to Answer Any **Five (5)** Questions of your choice.

*If you answer more than five (5) Questions, only the first five (5) answers presented will be marked. Meanwhile the other answers will be cancelled.*

**You are allowed to use OHADA CHART OF ACCOUNT and CALCULATORS.**

However, OHADA charts of Accounts with explanatory notes, formulae and sample entries are NOT 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.*

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Turn Over

1. On the 30/06/2020, the following were put at your disposal.

Date	Particulars	Amount	Date	Particulars	Amount
01/06	Balance B/F	575 800	5/06	Cheque No 280 to Muh	843 000
09/06	Cheques on sales	1 242 000	10/06	Cheque No 201 to Che	158 400
10/06	Customers cheques	83 000	14/06	Domiciliation	742 000
10/06	Bills for negotiation	926 000	20/06	Cheque No 201 to N	163 800
			22/06	Cheque No 201 to F	84 000
			27/06	Cheque No 201 to E	62 400
			30/06	Cheque No 201 to GU	28 600
				Debit balance	744 600
	<b>Total</b>	<b>2 826 800</b>		<b>Total</b>	<b>2 826 000</b>

Extract of the bank statement from BICEC.

Date	Particulars	Amount		Balance	
		Debit	Credit	Debit	Credit
01/06	Balance brought F				375 800
03/06	Cheque no 200	843 000		267 200	
04/06	Cheque No 201	158 400		425 000	
10/06	Collection of cheque		1 242 000		816 400
13/06	Domiciliation	742 000			74 400
13/06	Collection of cheque		83 000		157 400
14/06	Collection of dividends		144 000		301 400
20/06	Cheque No 202	163 800			137 600
21/06	Negotiation		926 000		1 063 600
25/06	Cheques 203	84 000			929 600
30/06	Bank charges	130 600			849 000
30/06	Credit interest		36 000		885 000

**Required**

- i) Present the bank reconciliation statement using **appendix 1**.
- ii) Record the necessary adjustments.

(15marks)

(5 marks)

**TOTAL (20 marks)**

2. As a newly recruited accounts clerk in Royal Cool entity, your manager has provided you with an extract of some fixed assets and their details before inventory of 31/12/2020 as follows:

Account Code	Title of Accounts	Original Value (FCFA)	Acquisition Date	Duration or Rate	Net Accounting Value (FCFA)
231	Building		2/01/2019	5 years	8,000,000
244	Office Equipment		2/01/2018	10%	3,072,000
245	Transport Equipment	17,280,000	5/01/2017	25%	4,320,000

**Other Information:**

- Buildings depreciated following the SOFTY method,
- Office Equipment is depreciated according to the straight line method
- Transport equipment is depreciated in respect of the linear method.

**Required:**

- i. Determine the original values of the building and the office equipment. (4 marks)
- ii. Present the depreciation table of building using appendix 2. (10marks)
- iii. Calculate and record the depreciation expenses on the fixed assets on 31/12/2020. (6 marks)

**TOTAL (20 marks)**

3. On the 31/12/2020 the following information are presented to you for adjustment before the preparation of the annual financial statements:

- Postage stamps bought for 75 000F had not yet been used
- A six (6) months 'Rent of 900 000F was paid on the 1/11/2020
- Telephone bill estimated at 29650F of which the bill has not been received.
- An invoice for goods delivered to ABA worth 238 500F VAT inclusive was not yet established
- On the 01/09/2020the company received 450 000F being rent for 6 months from her tenant
- Interest on a long term loan from the bank amounting to 600,000 FCFA has ...
- A bonus of 800,000 FCFA ( before VAT) is to be granted to a customer, but the credit note is yet to be established.
- A warranty of 2,000,000 FCFA is to be provided for repairs to made to customers.
- A case with a worker was conducted in June. Legal Adviser of the company made a provision of 8000,000 FCFA as compensation to this worker.
- Due to the construction of a new road, a piece of land owned by the company shall be reduced by 500 m<sup>2</sup>, with a m<sup>2</sup> estimated to the cost 10,000 FCFA.

**Required:**

Record the adjustment entries in the classical journal.

**(20 marks)**

4. You are provided with information concerning the situation of customers in Nchams Entity for the accounting period ended Dec 31, 2020 before adjustments (exclusive VAT).

Names of customers	Debts (FCFA)	Impairment 2019(FCFA)
NGWA	5 100 000	3 060 000
NJECK	6 000 000	1 800 000
BOBE	1 500 000	150 000
ENOW	3 000 000	600 000
AWEY	10 080 000	3 000 000

The following settlements were made in the course of the year 2020:

- NGWA 2 10 000FCFA
- NJECK 3 000 000FCFA
- AWELY 540 000FCFA

Observations as at the 31/12/2020;

- A new customer Mbela owing 4 800 000FCFA ( before VAT) is completely bankrupt
- Ngwa, probable loss of 40% of the balance
- Njeck, we expect to recover 30%
- Bobe's debt is completely irrecoverable
- Enow's where about is unknown.
- Awey is bankrupt . the situation of his balance sheet is as follows:

Elements	AMOUNT FCFA
Net Assets	18 000 000
privileged creditors	12 000 000
Ordinary creditors	24 000 000

**Required**

- i. Present the table of doubtful customers as at 31/12/2020 using **appendix 3**. (12 marks)
- ii. Show then necessary journal entries. (8 marks)
- TOTAL** (20 marks)

5. The situation of securities of **DEGHA MANG** Enterprise in portfolio on the 31/12/2020 before stock taking was as follows:

NATURE	Qty	Unit Purchase Price	Actual Value as at		Observation
			31/12/2019	31/12/2020	
<b>Participation Securities</b>					30 UBA Securities were sold at 189,000F each by cheque on 31/12/2020
• GUINNESS	80	150,000	152,000	148,000	
• UBA	90	190,000	189,000	187,000	
<b>Short Term Securities</b>					40 NEXTEL Securities were sold at 32,000F by cheque on 31/12/2020
• CAMTEL	200	50,000	47,000	42,000	
• NEXTEL	120	30,000	28,000	26,000	

**Required:**

- i. Record the disposal of participation securities and the sale of short term securities (7 marks)
- ii. Present the statement of securities as at 31/12/2020 using **appendix 4**: (10 marks)
- iii. Record all the adjustment entries in the classical journal on 31/12/2020 (3 marks)
- TOTAL** (20 marks)

6. ACA Enterprise prepares her financial statement in line with the standard system. The accountant of the enterprise is on leave. You have been invited by the general manager as a young graduate to assist in completing the trial balance in **appendix 5** which she left uncompleted.

**Required:**

- i. Complete the trial balance (**appendix 5, to be submitted**) (20marks)

7. The statement of fixed assets of FOKOU & Co Ltd, P.O Box 777 Bamenda is presented in **Appendix 6**.

**Required**

- i. Show the necessary calculations relating to the statement of fixed assets. (8 marks)
- ii. Complete the statement of fixed assets. (**Appendix 3**) (12marks)
- TOTAL** (20 marks)

8. On the 31/12/2019, a summary of account balances of BABA Enterprise were as follows:

A/c No	Elements	Amount (FCFA)
6031	Variation of stock of Goods	8 250 000
6032	Variation of stock of raw material	4 500 000
612	Transport expenses	235 000
622	Rent and rental expenses	725 000
631	Expenses on dishonored bills	40 000
624	Maintenance and repairs	500 000
661	Salary and wages	3 000 000
64	Rates and taxes	800 000
671	Interest on borrowings	150 000
681	Depreciation	1 100 000
691	Provisions	300 000
701	Sales of goods	150 000
707	Accessory income	150 000
771	Interest received from loans	250 000
647	Fiscal penalties	260 000
781	transferred of operating Expenses	180 000
702	Sales of finish products	9 000 000

**Required:**

Determine the significant management balances using Ledger Accounts.

**(20 marks)**

To be submitted with the answer booklet

APPENDIX 1 (for question 1-i)

**BANK RECONCILIATION STATEMENT**

Elements	521 BICEC		Bank Statement	
	Dr	Cr	Dr	Cr
<b>TOTAL</b>				

APPENDIX 2 (for question 2-ii)

**DEPRECIATION TABLE OF BUILDING**

Year	Depreciable base	Dep. Rate	Depreciation annuity	Accummulated depreciation	Net Book value
2019					
2020					
2021					
2022					
2023					

APPENDIX 3 (for question 4-i)

Names	Debts		Settlement In the year	Balances		Impairments		Bad debts	
	With VAT	Without VAT		With VAT	Without VAT	2019	2020	Losses	VAT
<b>TOTAL</b>									

## APPENDIX 4 (for question 5-i)

Nature	Purchase cost			Market value in 2019			Market value in 2020			Impairment	
	Q	U.P	AMT	QTY	U.P	AMT	Q	U.P	AMT	2019	2020
<b>TOTALS</b>											

APPENDIX 5 for question 6  
ACA Enterprise

A/C NO	ELEMENT	Trail balance as at 31/12/2019					
		OPENING BALANCE		MOVEMENTS		CLOSING BALANCE	
		Dr	Cr	Dr	Cr	Dr	Cr
10	Capital						
244	Office equipment		252,400,000		8,900,000		
245	Transport equipment	215,000,000		71,850,000	6,000,000		
261	investment in equity	245,000,000					
275	Deposit and caution			5,000,000			
284	Depreciation of office equipment	20,000,000		5,000,000			
284	Depreciation of transport equipment		21,600,000	1,050,000	11,600,000		
311	Stock of goods		39,000,000		29,000,000		
321	Stock of raw material	2,148,000					
331	Consumable materials	3,522,000		3,103,000	2,522,000		
335	Disposable containers	740,000		345,000	640,000		
335	Recoverable containers			400,000			
361	Finish product						
401	Suppliers, book debt			801,000			
402	Suppliers, bill payable		210,310,000	29,977,160	31,404,070		
409	Suppliers, claims on containers				687,760		
411	Customers, book debts			28,000	28,000		
419	Customers, debt on containers			2,520,000	2,035,000		
448	State, accrued expense			2,200,000	2,200,000		
485	Debts on disposal of asset			3,402,020			
502	investment securities			5,000,000			
521	Local bank			2,000,000			
571	Cash	30,000,000			17,624,000		
		4,000,000		44,630,000	47,251,700		

## Appendix 6 for question 7

## Statement of fixed assets as at 31/12/2019

Nature of Fixed assets	Date of acquisition	Original value	Linear rate	Annuity as at 31/12/2019	Accumulated depreciation as at 31/12/2019	Book value as at 31/12/2019
Building	1/04/2012	3 000 000	2%	-----	-----	-----
Office Equipment	1/07/2014	-----	15%	-----	330 000	-----
Office furniture	01/01/2016	600 000	-----	-----	300 000	-----
Transport Equipment	-----	1 000 000	20%	-----	250 000	-----