MARKING GUIDE 2025 / 5005- / FINANCIAL ACCOUNTING

PAPER 1

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	C	11	C	21	C	31	B	41	C
2	B	12	C	22	B	32	C	42	C
3	C	13	C	23	A	33	C	43	B
4	D	14	B	24	C	34	C	44	B
5	A	15	C	25	C	35	D	45	C
6	D	16	B	26	B	36	B	46	D
7	B	17	B	27	A	37	A	47	B
8	A	18	B	28	C	38	C	48	A
9	C	19	C	29	D	39	A	49	C
10	A	20	A	30	D	40	B	50	D

PAPER 2

QUESTION ONE: VALUE ADDED TAX

1.1 19.25% and 0%   12. These are goods and services which are not subject to VAT for example milk , bread
1.2 A taxable person is one who is registered under VAT, because the person carries out taxable transactions.
1.3 i. VAT invoiced=8000,000*0.1925 (0.5mk)
=1540,000 (0.5mk)
ii. VAT recoverable: (01/11/2018)- tax exclusive = 2 385 000/1.1925(0.5mrk)
=2000,000FCFA(0.5mrk) ; VAT =2 385 000 -2000 000= 385,000(1mrk) ; (15/11/2018) - Tax exclusive= 6,570,675/1.1925(0.5mk) =5,510,000FCFA (0.5mk) VAT =5,510,000 *0.1925= 1,060,675FCFA (1mk)
- 26/11/2018-VAT=80,800* 0.1925FCFA (0.5mk) = 15,554 FCFA(0.5mk)
iii. VAT credit/dued = Total vat invoiced- total vat recoverable (1mk)
= 1540,000 -1461229(1mk) VAT DUED =78771FCFAF(1mk)

1.5 recordings

Dr	Cr		FCFA	FCFA						
601 4452	521		2000 000 385 000	2 385 000		2452 4451	4812		5,510,000 1,060,67	6,570,675
411	701 4431		9 540 000	8 000 000 1 540 000		6052 4454	521		80,800 15,554	96,354

QUESTION TWO

A i) unit purchase price= 1200,000/50
= 24000FCFA ……………………………………………1mark
ii) Purchase cost= Purchase Price + transaction cost ………………………1marks
transaction cost = 1200,000 *5%..... = 60,000FCFA0.5 marks
;Purchase price = 1200,000 + 60,000…… =1260,000FCFA (0.5 marks
iii) selling price= 30,000*50 = 1500,000FCFA……………………………1mrk
iv) disposal gain =1500,000-1260,000 =240,000…………………………………1mrk
v) 5marks

Dr	Cr		FCFA	FCFA
		15-02-19		
5023		Unlistedshares	1,200,000	
5026		Expenses on the acqusition of shares	60,000	
	483	debts from the purchase ST securites		1,260,000
		beingunlisted ST shares		
		09-10-17		
513		chequesawaiting collection	1,500,000	
	502	Shares		1,260 000
	777	gains from ST securities		240,000
		being sale of unlisted ST shares		

B Previousdepreciation

05-01-2016 to 31-12- 2018= 3years ; $\frac{\mathbf{3500000\times20\times3}}{\mathbf{100}} = \mathbf{2100,000}$ **;**Complementarydepreciation 01/01/2019-05/06/2019=6 m0nths, $\frac{3500{,}000\times20\times6}{1200} = 350{,}000frs,$ Acc depreciation= 2100,000 +350,000=2450,000; NAV=3500,000-2450,000 = 1,050,000frs

Recordings………

Dr	Cr		FCFA	FCFA				*Do*		
						531			2086875	
6813			350,000				7541			1,750,000
	2844			350,000			4431			336875
2844			2,450,000							
6542			1,050,000							
	2441			3,500,000						

QUESTION 3

3.1 Recording of the transactions in the unique treasury auxiliary journals in (1000F)

Unique Auxiliary Journal Of Treasury Debit							**Date**	**Elements**	**Unique Auxiliary Journal Of Treasury Credit**						
Accounts Credited				**Main Accounts Dr**					**Main Accounts Cr**			**Accounts Debited**			
Sundry		**411**	**585**	**521**	**531**	**571**			**521**	**531**	**571**	**585**	**401**	**Sundry**	
No	Amt													Amt	No
			500	500			2/5	Cash to bank			500	500			
		1,200		1,200			4/5	Cheq from Fru							
7073	900				900		6/5	Rent earned							
			2,000		2,000		7/5	Bank to Giro	2,000			2,000			
							8/5	Cheq to Akam	400				400		
							10/5	P. stamps by Cash			15			15	616
							13/5	Giro to Titi		300			300		
		150				150	14/5	Cash/ Customer							
							17/5	Giro to NSIP		80					431
							20/5	Cheq to Tala	960				960		
							22/5	Cash Expenses			40			40	627
							26/5	Honorary			140			473	632
		1,350	**2,500**	**1,700**	**2,900**	**150**		**Totals**	**3,360**	**380**	**695**	**2,500**	**1,660**		

521	411 585		1,700,000	1,200,000 500,000		401 431	531		300,000 80,000	380,000
531	585 7073		2,900,000	2,000,000 900,000		585 616 627 632	571		500,000 15,000 40,000 473,000	513,000
571	411		150,000	150,000						
401 585	521		1,360,000 2,000,000	3,360,000						

Question 5

Dr	Cr		FCFA	FCFA						
		02-01-20						08/o2/2020		
612		transport paid	20,000			4!11		Customers	1,042,125	
	571	cash in hand		20,000		4191		customersadva.payment	1,200,000	
		payment of transport					7011	sales of goods		1,800,000
		d0					7071	transport invoiced		20,000
4111		Customers	1132875				4194	customersdebt/containers		30,000
	7011	sales of goods		900,000			4431	VAT inv on sales		356,125
	7071	transport invoiced		20,000			4428	state,other taxes		36,000
	4194	customersdebt/containers		30,000				invoice No 39		
	4431	VAT inv on sales		182,875				10-01-20		
		invoice No 36				401		Supplier	119250	
		Do					6019	rebate and discount		75,000
571		cash in hand	4,263,187.5				773	cash discount		25000
673		Cash discount	175,000				4452	VAT rec. on purchases		19250
	7011	sales of goods		3,500,000				Credit No 23		
	7071	transport invoiced		40,000						
	4194	customersdebt/containers		210,000						
	4431	VAT inv on sales		688,187.5						
		invoice No 39								

5.1 A. The bill of exchange no A 17 *5marks*

2marks

B. Establishment of the back of bill of exchange no: B18

Kindly pay to the order of: GEAH
Value for collection: One Million Five Hundred Thousand CFAF
At:BAMENDA On:05/05/2019

Signature
ME AND YOU ENTERPRISE

5.2 Determination of the value of the new bill of exchange no: C18

Table of calculation

Elements	*computations*	*Amount(CFAF)*
Nominal value old bill		*1,600,000*
Lateness interest(31/05-30/06	$\frac{1,600,000 \times 9 \times 30}{36000}$	*12,000*
VAT 19.25%	*12,000 ×0.1925*	*2,310*
Nominal value bill NO C18		*1,614 310*

Therefore the nominal value of the new bill is 1,614,310 CFAF

5.3. Jounalization of the transaction in the books of ME AND YOU *13marks*

Preliminary calculation

20/04/2019 discounting of bill of exchange No: A17

Elements	*computations*	*Amount(CFAF)*	*Amount(CFAF)*
Nominal value old bill			*1500,000*
Discount(20/04-05/05)=15	$\frac{1,500,000 \times 6 \times 15}{36000}$	*3,750*	
Commission		*5,000*	
Agio before VAT		*8,750*	
VAT 19.25%	*8,750 ×0.1925*	*1684.375*	
Agio after VAT(Approximated)			*15,434*
Net amount			*1,484,566*

Journal entries proper

4111			*4,000,000*			*565*			*1,500,000*	
	701			*4,000,000*			*415*			*1,500,000*
552			*400,000*							
571			*500,000*			*4011*			*1,600,000*	
	4111			*900.000*			*4122*			*1,600,000*
4121			*1,500,000*							
4122			*1,600,000*							
	4111			*3,100,000*						
415			*1,500,000*							
	4121			*1,500,000*		*4111*			*1,600,000*	
							4011			*1,600,000*
4454			*1,684*							
521			*1,484,566*			*4111*			*14,310*	
675			*8,750*				*4432*			*2,310*
	565			*1,500,000*			*771*			*12,000*
						412			*1,614,310*	
							4111			*1,614,310*

Solution to question seven

6.1. Calculation of the overtime of SOH *6marks*

Determination of overtime

weeks	*Normal hours*	*Overtime remunerated at*				*Total hours*
		120%	*130%*	*140%*	*150%*	
1	*40*	*8*				*48*
2	*40*	*8*	*2*		*2*	*52*
3	*40*	*8*	*8*	*2*		*58*
4	*40*	*2*			*4*	*46*

Total hours	*160*	*26*	*10*	*2*	*6*	*204*
Hourly rate	*960*	*1152*	*1248*	*1344*	*1440*	
Remuneration	*166,400*	*40,352*	*12,480*	*2,688*	*8,640*	
Total overtime			*64,160*			

Therefore total overtime earned for the month is 64,160frs
Net working
Hourly rate=$\frac{166,400}{173.33333333}$= *960CFAF; 120%= 960×120/100=1152;*
6.2. Determination of

a. The gross salary3marks	
Headings	*Amounts(CFAF)*
Basic salary	*166,400*
Overtime	*64,160*
Housing allowance	*60,000*
Transport indemnity	*64,000*
Gross salary	***354,560***

b. Determination of the contribution salary2marks	
Headings	*Amounts(CFAF)*
Basic salary	*166,400*
Overtime	*64,160*
Housing allowance	*60,000*
Contribution salary	***290,560***

determination of the taxable salary 4 marks		
Elements	*Computations*	*Amount(CFAF)*
Basic salary		*166,400*
overtime		*64,160*
Gross taxable salary		***230,560***
BENEFITS IN KIND		
Housing	*230,560× 15% = 34,584 < 60,000*	*60,000*
House maid	*230,560× 5% = 11,528*	*11,528*
Intermediary taxable salary	***230,560+60,000+11,528***	***302,088***
Less 30% professional expenses	*302,088×30%)*	*90,626.4*
Less National social insurance contribution	*290,560×4.5%*	*13,075.2*
NET TAXABLE SALARY	***302,088-(90,626.4+13,075.2)***	***198,386.4***

Determination of the net salary 3marks		
Headings	*computations*	*Amounts(CFAF)*
gross salary		*354,560*
Less		
Personal Income Tax(PIT)	*198,386.4×5%*	*9,919.32*
Additional Council Tax	*9,919.32×10%*	*991.932*
Land Bank Tax	*198,386.4×1%*	*1,983.864*
Net salary	*354,560-(9,919.32+991.932+1,983.864)*	*341,664.884*

Therefore the net salary of SOH is approximately 341,665CFAF

Therefore the net taxable salary is approximately 198,386CFAF

7.3 Definition of terms as used in personnel expenses *2marks*

a. Payroll

Payroll is a document kept by entity or the employer which shows the details of all the employees and the salaries earned by these workers in the entity.

b. Pay slip

A pay slip is a document handed by the employer (entity) to the employer (worker) during the payment of salary that shows the employer's personal information and the element of salary for the month. The pay slip is signed by both the employer and the employee

Question Eight

8.1 Drawing up of the quantitative index card

The Quantitative stock bin card.

Movement of Total Stock			***Date***	***Descriptions***	***Stock on Consignment***			***Movement in Warehouse***			***Total Stock***
Purchase.	***Sales***	***Losses***			***Customers***	***Returns***	***Sales***	***Entry***	***Exit***	***Stock***	

-	-	-	01/01	Initial stock	540	-	-	-	-	760	1300
-	-	-	04/01	Issue note no:1	900	-	-	-	360	400	1300
1980	-	-	08/01	Purchases	900	-	-	1980	-	2380	3280
-	-	-	10/01	Return	280	620	-	620	-	3000	3280
-	-	90	11/01	Damages	280	-	-	-	90	2910	3190
-	120	-	12/01	Sales to BUN	280	-		-	-	2790	3070
-	140	-	18/01	Non return	20	-	140	-	-	2790	2810

8.2 Journalization of the transactions relating to containers

6033	3352		760,000	760,000		411	7074		180,000	180,000
411	4194		540,000	540,000		4094	401		550,000	550,000
411	4194		540,000	540,000		401 6224	4094		200,000 20,000	220,000
6082	401		1.980,000	1,980,000		4194	7074		210,000	210,000
4194	411 7074		930,000	744,000 186,000		3352	6033		2,810,000	2,810,000
6033	3352		280,000	280,000						

Preliminariescalculations 8marks

- **Determination of the amount of auxiliaries expenses to be shared**

Let:X be the amount of Administration to be shared andY the amount of Maintenance to be shared . We can have the following system of equation:X = 78 000 + 0.1Y…(1) and Y = 200 000 + 0.2X….(2)

After using the substitution method, we have: **X = 100 000,Y = 220 000**

- **Determination of the number of working unit**
  - Supplying:

M1: 100 * 800 = 80 000, M2: 300 * 500 = 150 000, Total =230 000, **NWU =230 000/100** = **2300**

  - Workshop1: Kg of M1 used i.e**NWU………………………… 100kg**
  - Workshop 2: Hours of direct labour: 2640h; **NWU: ……………………2640/10 = 264,**
  - Distribution : Turnover = .5000*1000 = 5 000 000F, **NWU……………………………….5000000/1000 = 5000**

- **The overhead table 12 marks**

Elements	administration	maintenance	supplying	Worksop1	Workshop2	Distribution
Primary total	78000	200000	164800	294000	208800	573360
Administration Maintenance	(100000) 22000	200000 (220000)	10000 22000	40000 88000	20000 66000	10000 22000
Secondary Total	0	0	196800	422000	294800	605360
Measurement unit			100F of purchases	Kg of M1 used	10 Hours of direct labour used	1000F of turnover
NWU			2300	100	264	5000
CWU			86	4220	1117	121