

7015-2/2025

Corporate Accounting 2  
ATVEE

## SOUTH WEST REGIONAL MOCK EXAMINATION TECHNICAL AND VOCATIONAL 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, 26<sup>th</sup> MARCH 2025

ADVANCED LEVEL

Specialty	Accounting (ACC)
Subject Title	CORPORATE ACCOUNTING
Paper Number	Paper 2
Subject Code Number	7015

THREE HOURS

### INSTRUCTIONS TO CANDIDATES:

This paper carries SIX questions. Answer any FIVE questions.

All questions carry 20 marks each. For your guidance, the approximate mark for each part of a question is indicated in brackets.

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

If you answer MORE THAN five (5) questions, ONLY the first five (5) answers presented will be marked.

You are allowed to use CALCULATORS. OHADA Accounting Plans 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 advised to read carefully through the question paper, before you begin your answers.



1. ERASCO PLC a manufacturing company was created on the 1/4/2022 with a capital made up of shares in kind; cash of 10,000 CFAF each. The capital was contributed in kind and cash as follows:

**Contribution in kind**

Elements	Accounting value	Real value
Software and trade marks	10,000,000	10,000,000
Undeveloped lands	3,500,000	6,500,000
Buildings	20,000,000	22,500,000
Manufacturing equipment	5,500,000	8,500,000
Inventory	8,000,000	10,500,000
suppliers	3,000,000	3,000,000
Loans from financial institutions	5,000,000	5,000,000

The contributions were paid as follows:

- At formation the legal minimum was paid with formation expenses tax inclusive includes legal fees of 119,250 advertising expenses; 71,550 and registration duties 143,100 CFAF
- The 4<sup>th</sup> quarter was called on the 1/6/2024 and before the call, account 109 had as debit balance 25,000,000 CFAF
- During the call of the 4<sup>th</sup> quarter, shareholders were given up 30/09/2024 to meet up with their commitment or else a lateness interest of 5% will be added. By 31/10/2024 Mr. KENAH a holder of 180 shares had not brought in his contribution and his shares were sold to Mr. NDIYE at 12,000 CFAF per share and commission of 50,000 CFAF was charged.

**Required:**

- a) Determine the number of shares in kind (2 marks)
  - b) Determine the capital (4 marks)
  - c) Determine number of shares in cash and total number of shares (4 marks)
  - d) Journalise the formation and the 4<sup>th</sup> call of capital knowing that all payment were by bank cheque and VAT 19.25% (10 marks)
- (Total 20 marks)**

2. The following accounts were extracted from the balance sheet of GILEAD PLC as 31/12/2022 before profit appropriation:

Account No.	Name	Amount
101	Share capital	12,500,000 (1)
111	Legal reserves	36,000,000
129	Debit balance brought forward	3,400,000
131	Net profit	52,400,000

- (1) The last quarter of the capital was realised on 01/05/2022;

The statutes of the company stipulate the following concerning the sharing of profit

- Constitution of legal reserves according to the law
- Distribution of statutory interest of 6%
- On the balance, statutory reserve and optional reserve of 6,575,000 CFAF, optional reserve of 7,500,000 and a carried forward 925,000 CFAF.

**Required:**

- a) Prepare a table of profit appropriation (16 marks)
  - b) Make journal entries knowing that net dividend was paid by bank cheques after deducting 16.5% as personal income tax on securities (4 marks)
- (Total 20 marks)**

3. VAM VAM with share capital of 100,000,000 fully paid decided to carry out a double simultaneous increase of capital by incorporation of optional reserve and the issue of new cash shares at 13,200 FCFAF per share. The following were extracted before the increase in capital

Account	Amount
Statutory reserves	45,000,000
Optional reserves	35,000,000
Debit balance brought forward	5,000,000
Over values on fixed assets	25,000,000

Expenses incurred per share during the increase of capital amounted to 1,200 CFAF

After the double simultaneous increase, the share capital amounted to 185,000,000 CFAF

The new cash shares were fully paid up during the increase. The nominal value of a share is 10,000 CFAF



Required:

- The mathematical value before the increase of capital (4 marks)
- The number of bonus shares and cash shares issued (4 marks)
- The mathematical value after the increase of capital (4 marks)
- The attribution right, subscription right and global right (3 marks)
- Record the increase of capital in the journal knowing that payment was by bank cheque; (5 marks)

(Total 20 marks)

4. You have been given SWECOM trial balance after inventory of 31/12/2024

Acc No.	Description	Movement		Closing balance	
		Debit	Credit	Debit	Credit
6011	Purchase of goods	3,600,000		3,600,000	
6021	Purchases of raw materials	2,250,000		2,250,000	
6031	Variation of stock of goods	11,500,000	13,300,000		1,800,000
6032	Variation of stock of raw materials	6,000,000	6,300,000		300,000
6056	Purchases minor equipment	1,500,000		1,500,000	
6222	Renting of buildings	60,000		60,000	
6223	Hiring of equipment and tools	165,000		165,000	
6233	Personal estate leasing royalties	1,350,000		1,350,000	
6242	Servicing and repairs	450,000		450,000	
6258	Other insurance premiums	165,000		165,000	
6271	Adverts and publicities	30,000		30,000	
6314	Factoring commission	30,000		30,000	
6317	Expenses for electronic money	13,500		13,500	
6318	Other bank charges	150,000		150,000	
6324	Professional fees	255,000		255,000	
6413	Taxes on salaries and wages	900,000		900,000	
6478	Other fiscal penalties	195,000		195,000	
648	Other taxes and rates	360,000		360,000	
6511	Losses on trade debts	150,000		150,000	
6541	Book value of disposal of F.A	150,000		150,000	
6591	Provision for operating S.T risks	600,000		600,000	
6593	Impairments of stock	150,000		150,000	
6594	Impairment on debtor's accounts	240,000		240,000	
6611	Salaries, wages and commissions	4,500,000		4,500,000	
6617	Advantages in kind	60,000		60,000	
6641	Social expenses	750,000		750,000	
6688	Sundry social expenses	375,000		375,000	
6712	Interest on loans from fin. Institut.	600,000		600,000	
673	Discount granted	45,000		45,000	
675	Discounts on trade bills	735,000		735,000	
676	Financial losses on exchange	30,000		30,000	
677	Losses on marketable securities	45,000		45,000	
6813	Depreciation expenses on tang. FA	2,325,000		2,325,000	
6971	Financial provision for risks	45,000		45,000	
6972	Impairments of financial FA	30,000		30,000	
7011	Sales of goods in the region		5,445,000		5,445,000
7021	Sales of finished products		12,000,000		12,000,000
7073	Hiring and rental revenues		45,000		45,000
721	Self-constructed intangible F.A		420,000		420,000
736	Var. of stock of finished products		4,675,500		4,675,500
7542	Revenues from disposal of tan. F.A		300,000		300,000
7581	Sitting allowances		15,000		15,000
7598	Other impairment losses written back		30,000		30,000
7712	Interest from loans		22,500		22,500
7782	Gains from financial risks		75,000		75,000
781	Transfer of operating expenses		60,000		60,000



852	EOA depreciation expenses	525,000		525,000	
862	EOA depreciation written back		375,000		375,000
8911	Income tax for the period	1,425,000		1,425,000	

**Required:**

Prepare the statement of income for the period ended 31/12/2024 (use appendix 1)

**(Total 20 marks)**

5. As a new recruit in POMPIDO PLC, you have been handed the accounting balance sheet as at 31/12/2024

Asset	Gross amount	Depreciation & Impairment	Net amount	Liabilities	Net amount
Land	54,000,000	29,000,000	25,000,000	Share capital	50,000,000
Equipment	28,000,000	11,500,000	16,500,000	Legal reserves	2,500,000
Stock of raw material	12,500,000	-	12,500,000	Optional reserves	7,500,000
Stock of semi-finished goods	1,500,000	-	1,500,000	Net profit	6,000,000
Stock of finished goods	7,500,000	-	7,500,000	Loans from instit.	11,000,000
Customer	9,000,000	2,500,000	6,500,000	Suppliers	7,500,000
Bills receivable	1,500,000	-	1,500,000	Sundry creditors	7,500,000
Cash in hand	6,000,000	-	6,000,000		
Cash at bank	10,000,000	-	10,000,000		
<b>TOTAL</b>	<b>130,000,000</b>	<b>43,000,000</b>	<b>87,000,000</b>		<b>87,000,000</b>

**Additional information**

- The real value of land is 75,000,000 CFAF
- The value of equipment is 25% less than their book value
- Floating stock of raw materials is 10,000,000 CFAF of 1/4 is minimum stock
- The value of trade marks is evaluated at 15,000,000 CFAF
- Part of the supplier's debt amounting to 1,500,000 CFAF will be paid in 14 months
- 25% of the net results will be kept as reserves and the rest distributed to shareholders as dividend in 6 months.

**Required:**

- Present the table of reclassification of assets and liabilities (use appendix 2 and 3)
- Present the condensed liquidity balance sheet (use appendix 4)
- Calculate the working capital, working capital need and net treasury.

**(10 marks)****(4 marks)****(6 marks)****(Total 20 marks)**

6. The following information is given concerning ERRANDIA PLC with taxpayer No. M01203846757k for the year ended 31/12/2023

Element	Amount CFAF
Net cash as at 31/12/2022	2,500,000
Net profit for period ending 31/12/2023	8,646,000
Operating depreciation expenses	16,000,000
Financial depreciation expenses	635,000
Off ordinary depreciation expenses	30,000
Operating provision written back	115,000
Financial provision written back	230,000
Plus value on disposal	2,710,000
Minus value on disposal	1,900,000
Initial stock	6120,000
Final stock	180,000
Variation of debts	1,200,000
Purchase of software	85,000
Disposal of transport equipment	6,050,000
Investment subvention received	3,000,000
Dividend paid to shareholders	400,000
loans	1,205,000
Reimbursement of financial debts	103,000

**Required:**

- Determine the global self-financing capacity using the subtractive method.
- Present the cash flow statement (use appendix 5)

**(6 marks)****(14 marks)****(Total 20 marks)**



APPENDIX 1 FOR QUESTION 4

PROFIT AND LOSS ACCOUNT – STANDARD SYSTEM

Name of the Business: ..... Financial Year Ended: .....  
Identification N°: ..... Duration (in months): .....

Ref.	HEADINGS		Note	N NET	N-1 NET
TA	Sales of goods A	+	21		
RA	Purchases of goods	-	22		
RB	Variation of stocks of goods	+/-	6		
XA	GROSS PROFIT (Sum TA to RB)				
TB	Sales of manufactured products B	+	21		
TC	Works, services sold C	+	21		
TD	Accessory revenues D	+	21		
XB	TURNOVER (A+B+C+D)				
TE	Stored production (or issued)	+/-	6		
TF	Self-constructed assets	+	21		
TG	Operating subvention	+	21		
TH	Other revenues	+	21		
TI	Transfer of operating expenses	+	12		
RC	Purchases of raw materials and related stores	-	22		
RD	Variation of stock of raw materials and related store	+/-	6		
RE	Other purchases	-	22		
RF	Variation of stock of other supplies	+/-	6		
RG	Transport	-	23		
RH	External services	-	24		
RI	Taxes and rates	-	25		
RJ	Other expenses	-	26		
XC	VALUE ADDED (XB+RA+RB)+ (Sum TE to RJ)				
RK	Personnel expenses	-	27		
XD	GROSS OPERATING SURPLUS (XC-RK)				
TJ	Depreciations, impairment, provision and investment subventions written back	+	28		
RL	Depreciations, impairment losses and provision expenses	-	3C&28		
XE	OPERATING PROFIT AND LOSS (XD+TJ-RL)				
TK	Financial and related revenues	+	29		
TL	Financial impairment and provision written back	+	28		
TM	Transfer of financial expenses	+	12		
RM	Financial and related expenses	-	29		
RN	Financial impairment and provision expenses	-	3C&28		
XF	FINANCIAL PROFIT AND LOSS (Sum TK to RN)				
XG	ORDINARY ACTIVITY RESULT (XE+XF)				
TN	Revenues from disposals of fixed assets	+	3D		
TO	Other revenues OOA	+	30		
RO	Values of disposals of fixed assets	-	3D		
RP	Other expenses OOA	-	30		
XH	OOA RESULT (Sum TN to RP)				
RQ	Employees profit sharing scheme	-	3D		
RS	Income tax	-			
XI	NET INCOME (XG+XH+RQ+RS)				



**APPENDIX 2 FOR QUESTION 5a**

### Reclassification of assets

Element	NAV	Real Value	Variation		Fixed assets	Operating values	Realized values	Available (cash assets)
			+	-				
Total								

### APPENDIX 3 FOR QUESTION 5a

### Reclassification of liabilities

Element	NAV	Owner's equity	Fixed assets	Long & medium-term debt	Short term debt	Cash liabilities
Total						

#### APPENDIX 4 FOR QUESTION 5b

### Format of Condensed balance sheet

[illegible]



# **APPENDIX 5 FOR QUESTION 6** **STANDARD SYSTEM**

## **THE STATEMENT OF CASH FLOW**

Name of Business: ..... Financial Year Ended: 31/12/.....  
Identification N°: ..... Duration (in months): .....

Ref.	Description		Year N	Year N-1
ZA	Net cash as at January 1 <sup>st</sup> (Cash asset of Year N-1 less cash liability of Year N-1)	A		
	<b>Cash Flow From Operating Activities:</b>	+/-		
FA	Global Self-financing Capacity (GSFC)			
FB	+/- OOA Current Assets			
FC	+/- Variation of stocks			
FD	+/- Variation of customers and other debtors			
FE	+/- Variation of current liabilities			
	Variation linked to operating activities (FB+FC+FD+FE):			
ZB	Net Cash Flow From Operating Activities (Sum FA to FE):	B		
	<b>Cash Flow From Investing Activities:</b>	+/-		
FF	Cash outflow from acquisition of intangible fixed assets	-		
FG	Cash outflow from acquisition of tangible fixed assets	-		
FH	Cash outflow from acquisition of financial fixed assets	-		
FI	Cash inflow from disposal of intangible and tangible fixed assets	+		
FJ	Cash inflow from disposal of financial fixed assets	+		
ZC	Net Cash Flow From Investing Activities (Sum FF to FJ):	C		
	<b>Cash Flow From Financing With Owner's Equity:</b>	+/-		
FK	+ Increase of capacity by new contributions	+		
FL	+ Investment subventions received	+		
FM	- Reductions in capital	-		
FN	- Dividends paid	-		
ZD	Net Cash Flow From Financing With Owner's Equity (Sum FK to FN):	D		
FO	+ Acquisition of loans	+		
FP	+ Acquisition of other financial debts	+		
FQ	- Reimbursements of loans and other financial debts	-		
ZE	Net Cash Flows From Creditor's Equity (Sum FO to FQ)	E		
ZF	Net Cash Flows From Financing Activities (D+E)	F		
ZG	<b>VARIATION OF NET CASH FOR THE YEAR (B+C+F)</b>	G		
ZH	Net cash as at December 31 <sup>st</sup> (G-A) Control: Cash Assets for Year N Less Cash Liability for Year N	H		