

**S761/2 June**  
**S.S.C.E. 1995**  
**BOOK-KEEPING**  
**AND ACCOUNTS 2**  
**2½ hours**

**THE WEST AFRICAN EXAMINATIONS COUNCIL**  
**NIGERIA**

**Senior School Certificate Examination**

**June 1995**      **BOOK-KEEPING AND ACCOUNTS 2**      **2½ hours**

*Answer four questions in all. The compulsory question in Section A and any three questions from Section B.*

*Neatness and accuracy will be considered in awarding marks. All calculations must be shown.*

*All questions carry equal marks in Section B.*

**Turn over**

## SECTION A (COMPULSORY)

1. The treasurer of Annang Football Club presents to you the following information relating to the financial transactions of the club for the year ended 31st December, 1993.

Receipts and Payment Account for the year ended 31st December, 1993

Receipts .	₦	Payments .	₦
Bank Balance 1/1/93	1,048	Payment for bar supplies :	7,924
Subscriptions Received for:		Wages :	
1992	110	Groundsman and assistant	1,878
1993	2,472	Barmen	1,248
1994	80	Bar expenses	468
Bar Sales	11,256	Repairs to stands	238
Donations received	240	Ground upkeep	458
		Secretarial expenses	276
		Transport costs	610
		Bank Balance 31/12/93	2,106
	<u>15,206</u>		<u>15,206</u>

## Additional information :

	31/12/92	31/12/93
	₦	₦
(a) Stocks in bar at cost	992	1,116
Owing for bar supplies	588	680
Bar expenses owing	50	72
Transport costs owing	-	130

- (b) The value of Fixed Assets as at 31st December, 1992 was :

Land	₦8,000
Football stands	₦4,000
Equipment	₦1,100

- (c) Depreciation is to be charged on straight line method as follows :
- |                 |                |
|-----------------|----------------|
| Football stands | 10% per annum. |
| Equipment       | 20% per annum. |

- (d) Subscriptions owing by members were as follows :

	₦
31st December, 1992	110
31st December, 1993	132

You are required to :

- (i) Calculate the Accumulated Fund as at 31st December, 1992:
- (ii) Prepare the Bar Trading, Income and Expenditure Account for the year ended 31st December, 1993
- (iii) Prepare the Balance Sheet as at that date. [25 marks]

**Turn over**

## SECTION B

Answer any three questions from this Section

2. Abike Amuludun is the proprietress of a shop selling books, periodicals, newspapers and children's games and toys. For the purpose of her accounts, she decided to divide her business into two departments.

Department A – Books, periodicals and newspapers  
 Department B – Games, toys and fancy goods.

The following balances were extracted from her nominal ledger on 31st March, 1993 :

		Dr.	Cr.
		₦	₦
Sales –	Department A		150,000
	Department B		100,000
Stocks 1/4/92:	Department A	2,500	
	Department B	2,000	
Purchases :	Department A	118,000	
	Department B	82,000	
Wages of Sales Assistants :			
	Department A	10,000	
	Department B	7,500	
Newspaper delivery wages		1,500	
General office salaries		7,500	
Rates		1,300	
Insurance		500	
Electricity		1,200	
Repairs to premises		250	
Telephone		250	
Cleaning		300	
Accountancy and Audit fees		1,200	
General office expenses		600	
Stocks 1/3/93 :			
	Department A	3,000	
	Department B	1,500	

The proportion of the total floor area occupied by each department was :

Department A - ~~One-fifth~~.

Department B - ~~Four-fifth~~.

You are required to prepare a Departmental Trading, Profit and Loss Account of Abike Amuludun for the year ended 31st March, 1993.

Note : Apportionment should be made using the following bases :

Area - Rates, insurance, electricity, repairs, telephone and cleaning.

Turnover - General office salaries, Accountancy and Audit fees, and general office expenses.

[15 marks]

3. The following balances were extracted from the books of Usen Stores on 31st December, 1993.

	₦
Returns outwards	190
Cash payment to creditors for goods supplied.	11,250
Return inwards	410
Cash received from debtors for sales	17,784
Bills Payable	3,404
Discount Received	1,054
Bills Receivable	2,400
Discount Allowed	1,092
Bad Debts	506
Balances of Sundry Creditors for goods supplied as at 1/1/93	2,452
Balances of Sundry debtors for sales as at 1/1/93	4,260
Balances of creditors for goods supplied as at 1/12/93	2,678
Balances of debtors for sales as at 31/12/93	5,720

You are required to determine by Control Accounts the amount of :

(a) Purchases as at 31st December, 1993 and

(b) Sales as at that date.

[15 marks]

4. James Aluko, a trader engaged the services of an inexperienced book-keeper. The book-keeper produced the following Balance Sheet as at 31st December, 1993.

Balance Sheet as at 31st December, 1993

	₦			₦
Capital	50,224		Fixed Assets	72,208
Loan – Johnson 12%	20,000		Stock	18,826
Trade Creditors	26,000		Debtors	26,016
Accruals	282		Prepayments	600
Bank Overdraft	14,634		Drawings	8,260
Profit and Loss Account	18,400		Suspense Account	2,930
	129,540		Cash	700
				129,540

An investigation into the accounts revealed the following :

- (a) the Suspense Account balance represents the difference on the Trial Balance ;
- (b) the Purchases Day Book total for October of ₦8,240 was posted to Purchases Account as ₦8,420 ;
- (c) Closing Stocks were overcast by ₦2,000 ;
- (d) cash in hand should be ₦110 ;
- (e) Fixtures and Fittings Account balance of ₦4,600 has been omitted from the Trial Balance ;
- (f) Interest for a half year on the Loan Account has not been paid and no provisions made for it ;
- (g) an invoice for ₦500 has been included in stock and purchases but not posted to the Personal Account ;
- (h) a Sales Returns of ₦200 has been debited to Adewale's Account.

You are required to prepare :

- (i) Suspense Account and
- (ii) A Revised Balance Sheet as at 31st December, 1993

[15 marks]

5. Audu, Bisi and Sam are in partnership sharing profits and losses in the ratio 2:2:1, respectively.

The partnership agreement provides :

- (a) for payment of interest at 5% per annum on the credit balance of each partner's Capital and 15% on Current Account (credit balance) at the beginning of each year;
- (b) that no interest on drawings be charged ;
- (c) for the payment of a salary of ₦2,500 per annum to Sam together with a 2% commission on the trading profit after charging current account interest, salary and the commission, but before charging interest on Capital.

The partners' balances as at 1st July, 1993 were as follows :

	<i>Current Account</i>		<i>Capital Account</i>
	₦		₦
Audu	2,000	Cr.	16,000
Bisi	200	Dr.	12,000
Sam	400	Dr.	4,000

Drawings for the year were :

	₦
Audu	5,200
Bisi	3,700
Sam	4,800

The trading profit for the year ended 30th June, 1994 was ₦22,282

You are required to prepare :

- (i) the Profit and Loss Appropriation Account for the year ended 30th June, 1994 ;
- (ii) the Current Account for each partner in columnar form, and
- (iii) the Capital Account for each partner in columnar form.

[15 marks]

6. Gadzama Trading Company Limited supplies goods to its Calabar branch. The following are the details of transactions with the branch for December 1993.

On 1st December, 1993 goods costing ₦6,000 were invoiced to the branch at cost plus  $33\frac{1}{3}$  per cent. At the end of the month the branch returns showed that the sales were ₦5,000. Goods invoiced at ₦80 were returned to Head Office and the Closing Stock was ₦2,880 at selling price.

You are required to prepare in the Head Office books :

- (a) Goods sent to Branch Account ;
- (b) Branch Stock Account, and
- (c) Branch Adjustment Account.

[15 marks]