



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2020_2 EXAMINATION

COURSE CODE: ACC407 **CREDIT UNIT: 3**

COURSE TITLE: Accounting and Auditing for cooperatives

TIME ALLOWED: 2^{1/2}HOURS

Instructions:

- 1. Attempt question number one (1) and any other three (3).**
 - 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your points in coherent and orderly manner.**
-

QUESTION 1

The following is the receipts and payments of IGAH LIKE MINDS for the year ended 31st Dec. 2019:

Particulars	Amount (N)
Balance as at 1 st January, 2019	500,000
Donations received	50,000
Subscriptions received	2,500,000
Entrance fees received	70,000
Proceeds of Dance	260,500
Bank deposit interest	80,000
Equipment purchased	450,000
Wages paid to workers	300,000
Maintenance of Equipment	150,000
Purchase of stationery	10,000
Expenses	250,000
Rent and rates	200,000
Paid into the bank account	70,000

The following information are also relevant:

- i) Rent and rates prepaid N12,000
- ii) Expenses include N2,000 owing since last year
- iii) Wages of N30,000 was not paid to a worker who absconded from duty as at 31st Dec. 2019.
- iv) The subscriptions received include N5,000 in arrears the previous year (2018); N12,000 was paid in advance; some members did not pay theirs as at 31st Dec. 2019 amounting to N8,000.

- v) The Club as at January, 2019 had the following assets: Building, N120,000; Equipment, N45,000; and Bank Balance N100,000.
- vi) Depreciate Building by 10% and Equipment by 10% including the additions within the year.

Required:

Prepare:

- a) The receipts and payment accounts of IGAH LIKE MINDS for the year ended 31st Dec., 2019
- b) Income and Expenditure Accounts of IGAH LIKE MINDS for the year ended 31st Dec., 2019, and
- c) A Balance Sheet as at 31st Dec., 2019.

(25 Marks)

QUESTION 2

The following transaction is in respect of Mallam Abdullahi Shehu who trades in Abuja.

- Jan. 1 2020. Balance of Cash at Bank N650,000
- 2 Sales N950,000
- 13 Dr. Kalu Settled his Account of N70,000 by cheque and was allowed 5% cash discount
- 15 Withdrew cash of N45,000. Of this amount, N20,000 was for drawings, N15,000 for wages and N10,000 for expenses.
- 20 Dr. Inua paid in cheque of N150,000 in full settlement of her account of N160,000.
- 22 Okoh J. paid cheque N70,000; Discount allowed N1,000.
- 25 Paid Dangote ltd N95,000 in full settlement of their account of N100,000.
- 29 Sales N400,000.

Required:

Prepare the Bank Cash Book of Mallam Abdullahi Shehu and balance it on 29/1/20.

(15 Marks)

QUESTION 3

a) Insert the word 'Credit' or 'Debit' in each of the blank spaces in the statements below:

- i) Assets and expenses are-----balances
- ii) Liabilities and profits are----- balances
- iii) Sales account is always -----balance
- iv) Purchases account is always ----- balance
- v) Subscriptions in arrears are----- balances

(5 Marks)

b) Explain what you know about Balance Sheet.

(5 Marks)

c) Explain why double entry is preferred above single entry.

(5 Marks)

QUESTION 4

Explain the following terms as apply to Accounting:

- a) Prudence **(3 Marks)**
- b) Book-Keeping **(3 Marks)**
- c) Contra entry **(3 Marks)**
- d) Imprest System **(3 Marks)**
- e) Co-operative Society **(3 Marks)**

QUESTION 5

Describe the types of Audit you know. **(15 Marks)**

QUESTION 6

Elucidate the scope and benefits of Co-operative Audit. **(15 Marks)**