



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2023_1 POP EXAMINATION.

COURSE CODE: ACC311 **CREDIT UNIT: 3**
COURSE TITLE: FINANCIAL ACCOUNTING
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.**
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QUESTION 1(a)

ENEMALI COMPANY LIMITED sent goods to its branch at cost plus mark up of 33 $\frac{1}{3}$ %. The company has its head office in Port Harcourt and one of its branches in Kaduna, Nigeria. The following are details of the Kaduna branch transaction for the year ended 31st December 2020.

	₦
Opening inventory at branch selling price	120,000
Goods sent to branch at selling price	1,200,000
Goods returned to head office by branch at selling price	90,000
Goods returned to head office by branch customer	30,000
Credit sales	870,000
Cash sales	291,000
Authorized allowance off selling price	9,000
Goods returned to branch by branch customer at selling price	45,000
Cheques/cash received from branch customer	570,000
Cash discount allowed to branch customer	33,000
Branch bad debt	22,500
Branch sundry expenses paid by head office	45,000
Cash stolen at branch	30,000
Goods stolen at branch at selling price	12,000
Closing inventory at branch selling price	180,000

Goods invoiced to the branch at ₦24,000 on 30th December, 2020 did not reach the branch until 5th January, 2021 and so had not been included in the figures.

Required: Using cost plus mark-up method, Prepare the following accounts: **15marks**

- i. Branch inventory account
- ii. Good sent to branch account
- iii. Branch inventory adjustment account
- iv. Branch receivables accounts
- v. Branch statement of profit or loss

QUESTION 1(b)

List the accounts to be maintained by a branch using the Cost Method (Accounting Required) and the Cost Plus Mark-Ups Method (Accounting Required). **(10marks)**

QUESTION 2

OJODOMO Company Ltd was registered with a share capital consisting of 2,000,000 ordinary shares of ₦1 each and 500,000 6% preference share of ₦1 each. It offered 1,200,000 ordinary shares for public subscription as follows:

On application	25k
On allotment	25k
On first call	25k

All shares were applied for and allotted. However, a shareholder, Edente, who had been allotted 80,000 shares failed to pay the first call. The second and last call have not been made.

You are required to calculate the following:

- i. Authorized share capital
- ii. Issued share capital
- iii. Unissued share capital
- iv. Called up share capital
- v. Uncalled up share capital
- vi. Calls in arrears
- vii. Paid up share capital

(15 marks)

QUESTION 3

Define Departmental Accounting and explain its advantages. **(15 marks)**

QUESTION 4

- a) Define partnership.
- b) Where there is no partnership deed, what rules are to be applied in the partnership?

(15 marks)

QUESTION 5

Explain the meaning of:

- a) The Memorandum of Association and its clauses
- b) The Articles of Association and its clauses
- c) Prospectus
- d) Certificate of Incorporation

(15 marks)