



NATIONAL OPEN UNIVERSITY OF NIGERIA
UNIVERSITY VILLAGE, JABI- ABUJA
FACULTY OF MANAGEMENT SCIENCES

2023_1 POP EXAMINATION

Course Code: ACC757

Credit Unit: 2

Course Title: Principles of Accounting

Time Allowed: 2 Hours

Instructions:

1. Attempt question number one (1) and any other two (2).
2. Question number 1 is compulsory and carries 30 marks while the other 2 carry 20 marks each.
3. Present all your points in coherent and orderly manner.

QUESTION 1(a)

OKPE Company Ltd produces sachet water. The company's trial balance at 31/12/2019 is as follows:

	N	N
Delivery Van Expenses	5,000	
Lighting: Factory	5,718	
Office	2,220	
Manufacturing Wages	90,940	
General Expenses: Office	7,632	
Factory	11,280	
Salesmen: Commission	15,720	
Purchase of Raw Materials	78,108	
Rent: Factory	9,600	
Office	4,400	
Machinery (cost N 50,000)	65,000	
Office Equipment (cost N15,000)	22,000	
Office Salaries	12,570	
Debtors	56,740	
Creditors		
Bank		38,900
Sales	26,674	
Premises at Cost		273,000
Stock at 31/12/2018:	80,000	
Raw Materials	17,130	
Finished Goods	58,960	
Drawings	17,120	
Capital		
	<u>586,812</u>	<u>274,912</u>
		<u>586,812</u>

Give effect to the following adjustment:

- (a) Stocks at 31/12/2019, Raw Materials N18,100, Finished Goods N62,400. There is no Work in Progress.
- (b) Depreciation: Machinery N4,000; Office Equipment N3,000.
- (c) Manufacturing Wages due but unpaid at 31/12/2019 N610, Office Rent Prepaid N216.

Required; Prepare:

The Manufacturing, trading, profit and loss account of OKPE Company Ltd for the period 31st December, 2019 and Balance Sheet as at that date. **20 Marks**

QUESTION 1(b)

Write short note on the following Manufacturing Accounts Terminologies:

- i) Direct Raw Material Cost
- ii) Carriage Inwards
- iii) Closing Stock of Raw Materials
- iv) Direct Wages
- v) Factory Direct Overhead/Expenses

10marks

QUESTION 2

- a) Define joint venture business.
- b) What are the differences between Joint Venture and Partnership Business?

20 Marks

QUESTION 3

- a) Define Bill of Exchange and Promissory Note.
- b) How does promissory note differ from a Bill of exchange?

20 Marks

QUESTION 4

What are the rights of a partner in the absence of a written agreement and his duties according to 28 and 30 of 1890 Act? **20 Marks**