



NATIONAL OPEN UNIVERSITY OF NIGERIA  
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA  
FACULTY OF MANAGEMENT SCIENCES  
2023\_2 EXAMINATIONS\_

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COURSE CODE: ACC407 CREDIT UNIT: 3  
COURSE TITLE: ACCOUNTING AND AUDITING FOR CO-OPERATIVES  
TIME ALLOWED: 2<sup>1/2</sup> HOURS  
INSTRUCTIONS: 1. Attempt question Number one (1) and any other three  
2. Question number 1 is compulsory and carries 25 marks, while the  
other questions carry 15 marks each  
3. Present all your points in coherent and orderly manner

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ON 31ST DECEMBER 2021, YOU ARE GIVEN THE FOLLOWING REGARDING JOS  
COOPERATIVE SOCIETY.

Accumulated Fund at 1st January 2021 N44,160

Cash in Hand N600

Cash at Bank N11,040

Equipment N40,800

Postages & Stationery N1,440

Sale of Tickets N38,760

Hire of equipment N3,960

Members Contributions – (2021) N11,880

Members Contributions – (2022) N480

Donations Received N1,800

Royalties Paid N2,520

Rent of Hall N36,720

Provisions are expected to be made for the following items, which have not passed through the  
books of the Cooperative.

- i. Outstanding contributions for 2021 amount to N720.
- ii. 10% depreciation should be provided on Equipment.
- iii. Rent paid in Advance amounted to N480.

Required, prepare:

1(a.) Income & Expenditure Account for the year ended 31st December 2021. **(10marks)**

1(b.) Statement of Financial Position as at 31st December 2021. **(10marks)**

1(c) What are the various sources of income to a typical non-profit making organization.

**(5marks)**

(2a) Explain the following terms:

i. Information System Audit **(3marks)**

ii. Compliance Audit **(3marks)**

iii. Environmental & Social Audit **(3marks)**

(2b) Describe the duties of a cooperative auditor in relation to Fraud and Errors. **(6marks)**

(3a) Explain the term unmodified report. **(5 marks)**

(3b) Discuss the advantages of control accounts. **(5 marks)**

(3c) Explain the accounting treatment for bills receivable. **(5 marks)**

(4a) Fraud risk factors rest on three key pillars. These pillars are popularly referred to as fraud triangle in literature on fraud. You are required to present these pillars and show how it helps auditors in carrying out their duties. **(9marks)**

(4b) Explain the concept of materiality **(6marks)**

(5a) The statement of affairs of Emeka, a sole proprietor disclosed capital as at 31<sup>st</sup> December, 2015 and 2016 as N45,000 and N60,000 respectively. During the year, Emeka introduced an old delivery Van valued at N10,000 but drawing in cash and goods amounted to N20,000.

Compute the net profit for the year. **(3marks)**

(5b) Write short notes on any three of the following

i. External Audit **(3marks)**

ii. Internal Audit **(3marks)**

iii. Forensic Audit **(3marks)**

iv. Tax Audit **(3marks)**