



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2024_2 EXAMINATION

COURSE CODE: ACC 812

CREDIT UNIT: 3

COURSE TITLE: INTRODUCTION TO ACCOUNTING

TIME ALLOWED: TWO AND HALF HOURS

INSTRUCTIONS: Attempt any four (4) questions.

Question one (1) carries 25 marks and is compulsory (The other three (3) carry 15 marks each. Present all your points in coherent and orderly manner.

QUESTION ONE

Given the following balances draw up a trial balance for Overcomer's Plc as at 31st December 2022.

	N'000
Gross Profit	190,000
Rent Receivable	20,000
Dividend received	8,000
Decrease in provisions for bad debt	4,000
Discount received	6,000
Depreciation:	
- Motor vehicle	12,000
- Office equipment	3,000
Electricity bill	2,000
Rate and Rent	4,000
Insurance	6,000
Sunday expenses	1,000
Salaries and wages	19,000
Stationery	5,000

Entertainment	5,000
Legal fees	5,000
Loss on sale of motors vehicle	2,000
Discount allowed	1,000
Bank interest paid	2,000
Bank charges	1,000
Non-current Assets	100,000
Current Assets	57,000
Sales Commission	2,500
Bad debt	1,500
Repairs of motor vehicles	2,000
Advertisement	3,000
Carriage outwards	2,000

Total = (25marks)

QUESTION TWO

- a. Complete the following table showing which account are to be debited and which are to be credited in the spaces provided.

	Particulars	Debit	Credit
i.	Bought office computer for cash		
ii.	Bought Lorry for cash		
iii.	A loan of N20,000 is received by cheque from Ige		
iv.	Paid stationery by cheque		
v.	Paid rates by cash		
vi.	Owner wrote a cheque to himself		
vii.	Owner put cash into the business		
viii.	Owner buys a washing machine for his home and pay by cheque		

(12marks)

- b. State two (2) purpose of a trial balance

(3 marks)

Total = 15marks

QUESTION THREE

- a. What is a cash book? (2 marks)
- b. State the types of cashbook (3 marks)
- c. Mr. Alozie uses a columnar petty cashbook to record his cash payments. He also operates an imprest system with a float of N150,000. During the month of January 2023 the cash transactions were as follows;
 1. January: Postage stamps N5000
 2. January: Cleaning materials N13,000
 3. January: Recorded delivery N2,000
 5. January: Gratuity to delivery man N4,000
 7. January: Beverages N1,000
 9. January: Rail fare N11,000
 10. January: Paper clip and pen N6,000
 13. January: Window cleaner N10,000
 18. January: Travelling expenses N7,000
 21. January: Envelopes N3,000
 22. January: Postage stamps N9,000
 24. January: Stationery N14,000
 27. January: Tax fare N12,000
 28. January: Office cleaning N8,000
 31. January: Received reimbursements to make float up to N150,000

Required:

Prepare a petty cashbook (10 marks)

Total = 15 marks

QUESTION FOUR

Izevbigie has an accounting year ending on December 31. On January 1st 2023 he purchased a machine for N1,000,000 which has an expected life of three (03) years and an estimated residual value of N343,000.

Required:

Calculate the amount of depreciation in each year of the asset's useful life using:

- i. The straight line method (3 marks)
- ii. The reducing balance method (6 marks)
- iii. The sum of the year digit method (6 marks)

Total = 15 marks

QUESTION FIVE

- a. Explain the nature of a provision, and how they difference from a liability 3 Marks
- b. Trial balance extract of Isoken of the year end

	Debit	Credit
Trade Receivables	20,000,000	
Trade payables		6,000,000
Heat and light	4,000,000	
Rent	6,000,000	

Additional Information

- I. There is accrual at the year end of N200,000 for heat and light
- II. Rent amounting to N1,000,000 was prepaid at the reporting period end

Required:

1. Prepare the ledger accounts showing the year-end adjustments (4 marks)
2. Show the adjusted trial balance (4 marks)
3. Provide extracts from the statement of financial position to show the relevant disclosures for the accrual and the prepayment (3 marks)

Total = 15 marks