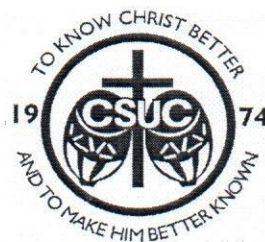


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**CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI
DEPARTMENT OF ACCOUNTING AND FINANCE
BACHELOR OF BUSINESS ADMINISTRATION
2018/2019 Academic Year Supplementary Examination**

LEVEL 200

**CSBA 245: Principles of Accounting One (1)
Re - sit**

August 2019

Time: 2Hrs 45 Minutes

This paper is in **two (2)** sections; section A & B
Attempt **three** questions in all

Answer **One (1)** Question from Section A, And Any **Two (2)** Questions from Section B

Section A
(40 marks)

1. a) Below is a table showing the various books of prime entry, source documents for entries etc..You are required to **copy and complete the chart**, supplying the necessary information

Day Books	Function(s)	Source Documents	Ledger(s) Into Which Day Book is Posted
Petty cash book			
Cash book			
Purchase journal			
Sales journal			
Return inwards			
Return outwards			
Journal Proper			

3 marks each (21marks)

b) Why must the following always balance?

i Trial balance **(3marks)**

ii Balance sheet **(3marks)**

c) State two reasons (2) that make it necessary for non accounting business students to acquire the basic principles in a financial accounting? **(4marks)**

c) Comment on the following statement s

“Why spend quality time preparing bank reconciliation statement?” **(5marks)**

“All expenditures once incurred would be paid so why distinguish them” **(4marks)**

2. (a) For Believers Ltd a food merchant, classify the following expenditure items into Capital Expenditures and Revenue expenditures

Expenditure item	Capital Expenditure	Revenue Expenditure
1. New tyre for van		
2.Repairs to meat slicer		
3.Repairs to office safe		
4 .Repairs to meat slicer		
5 .Additional shop counter		

6. Renewing sign writing on shop		
7. Fitting partitions shop		
8. Roof repairs		
9. Installing thief detection equipment		
10. Wages of shop attendants		
11. Installing new freezers		

1 mark each

Total (11 marks)

(b) Distinguish between the following pairs of terms as used in financial accounting

- i. Bank statement **and** Bank reconciliation statement (5marks)
- ii. Trade discount **and** Cash discount (5marks)
- iii. Provision for bad and doubtful debts **and** Bad debts (5marks)
- iv. Contingent asset **and** Contingent liability (5marks)
- v. Income receivable accrued **and** Income receivable prepaid (5marks)

c) Briefly describe the accounting process (9 marks)

SECTION B

Answer any **Two (2)** Questions from any of the following **four (4)** Questions.

30 Marks Each

Question 1

Joy Ahead Ltd operates a petty cash on imprest with a float of 100,000 reimbursements are made such that cash on hand does not fall below 12,000. Below is a summary of petty cash transaction for the period to September 30, 2013.

2013	GH¢.
Sept 1 received reimbursement by cheque from cashier	83,500
Sept 2 paid wages	34,000
Sept 4 paid rent and rates	15,000
Sept 5 paid wages and salaries	30,000
Sept 8 paid electricity expenses	8,600
Sept 9 paid for taxi	3,000
Sep 10 paid for taxi	4,000
Paid for wages	18,000
Sep 11 paid for rent and rates	5,439
Paid wages	22,000
Paid J. Amuh a creditor in full less cash discount (18,000)	16,200
Sep 12 paid for taxi	10,000
Sept 14 paid electricity expenses	2,500
Sept 15 paid B. Boso, creditor	4,000
Sept 18 paid for taxi	3,535
Paid for rent and rates	18,350
Sept 24 paid wages and salaries	48,000
Sept 30 paid for taxi	13,683

You are required to

(a) Write up the cash book (b) show the nominal ledger

Question Two (2)

Love Enterprise cash book on October 31 showed an overdran balance of GH¢18,394 while his bank statement showed a credit balnce GH¢ 14,020. Upon investigation of the accounting records, the following were discovered.

1. A cheque of GH¢76,540 drawn by Love Enterprise was correctly entered in the cash book but appeared on the bank statement as GH¢65,470.
2. Bank charges of GH¢5,800 shown in the bank statement had not been entered in the book.
3. Cheques amounting to GH¢56,390 paid into the bank on October 31, 2009 were not entered by the bank until November 4, 2009.
4. Credit transfers received by the bank on behalf of Wumbe totalling GH¢53,300 had been entered in the cash book.
5. Cheques drawn by Love Enterprise, which amounted to GH¢43,750, had not been submitted for payment. ;
A dividend of GH¢37,090 paid directly into the bank account had not been entered in cashbook.
6. The receipts side of the cash book had been overstated by GH¢ 12,000;
7. Standing order payments amounting to GH¢ 17,456 had not been entered in the cash book
8. A cheque drawn for GH¢22,600 was entered in the Cash book as GH¢26,200.
9. A cheque for GH¢24,750 received from a customer was dishonoured by the bank but not entry had been made in the cash book

You are required to:

- a) Show the adjustment in the cash book
- b) Prepare a bank reconciliation statement as a t October 31, 2009

Question Three (3)

The following is the trial balance of Gerard Enterprise as at 31st December, 2011,

	Debit GH¢	Credit GH¢
Revenue		1,200,000
Purchases	1,050,000	
Returns inwards	15,000	
Purchase returns		18,600
Inventory at 1/1/2011	300,000	
Provision for bad debt		2,400
Wages	90,000	
Rates	18,000	
Insurance	93,000	
Telephone	3,000	
Shop fitting at cost	120,000	
Motor Van at cost	90,000	
Provision for depreciation on: Shop fittings		30,000
Motor Van		15,000
Receivables and Payables	29,400	21,000
Bad debt	600	
Capital		630,000
Bank balance	39,000	
Drawings	<u>69,000</u>	
	<u>1,917,000</u>	<u>1,917,000</u>

The following adjustment should be taken into consideration.

1. Closing inventory at 31st December, 2011 GH¢360,000
2. Rates prepaid GH¢ 1,500
3. Accrued wages GH¢ 15,000
4. The provision for bad debt to be increased to 10% of receivables.
5. Telephone account outstanding GH¢660
6. Depreciation on shop fitting at 10% per annum on the book value (reducing balance method)
7. Motor Van is to be depreciated at 20% per annum on cost (straight line method)

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Question Four (4)

Record the following transactions in the appropriate subsidiary books of Wambenzy balance off on January 31 and post the items to the relevant ledgers.

- Jan 20 Bought on credit from A. Ando:
5 bags of sugar @ GH¢50 per carton
5 cartons of milk @ GH¢30 per carton
4 cartons of egg @ GH¢10 each
Sugar is subject to 10% trade discount.
- Jan 21 Sold 3 bags of sugar to K. Ansah @ GH¢60 per bag,
subject to 10% trade discount.
- Jan 22 Returned 1 bag sugar and 2 cartons of milk bought on Jan 20 to A. Andoh.
- Jan 25 Bought on credit from A. Appiah
3 bags of sugar @ GH¢45 per bag
10 crates of egg @ GH¢12 each
50 packets of Omo @ GH¢8 per packets
The sugar is subject to $33\frac{1}{3}\%$ trade discount
- Jan 26 Sold to Soronko Enterprise
10 bags of sugar @ GH¢70 per bag
4 cartons of milk @ GH¢50 per carton
40 packets of Omo @ GH¢15 per packet
10 crates of egg @ GH¢15 each
All subject to 20% trade discount
- Jan 27 Soronko enterprise returned 2 bags of sugar
and 10 packets of Omo sold on Jan 26
- Jan 27 Returned 2 crates of eggs and 5 packets of Omo to A. Appiah
- Jan 30 Bought the following from B. Somuah:
50 cartons of sardines @ GH¢100 per carton
20 packets of sugar @ GH¢400 per bag
100 bags of rice @ GH¢400 per bag
Sardine is subject to 20% trade discount and rice @
25% trade discount
- Jan 31 Returned 2 bags of rice and 1 carton of sardine bought from B. Somuah
- Jan 31 Bought the following from A. Andoh:
10 bags of sugar @ GH¢60 per bag
20 carton of milk @ GH¢35 per carton
And from B. Appiah:
10 bags sugar @ GH¢65 per bag
30 cartons milk @ GH¢40 per carton
Both suppliers allowing 30% trade discount on all goods