

**INTERIM JOINT MATRICULATION BOARD
AHMADU BELLO UNIVERSITY
ZARIA**



INTERIM JOINT MATRICULATION BOARD EXAMINATION 2016

SUBJECT: ACCOUNTING PAPER I
DATE SCHEDULED: WEDNESDAY 10TH FEBRUARY, 2016
TIME ALLOWED: THREE HOURS (3 HRS)

INSTRUCTIONS: Answer FIVE (5) Questions in all. Questions 1 and 2 from section A and any THREE (3) from section B. All workings MUST be clearly shown.

SECTION A

Answer Both Questions 1 and 2

1. The trial balance of Ayodele as at 31st December, 2014 was as follows:

	₦	₦
Miscellaneous expenses.....	86,950	
Sales and Purchases returns.....	138,400	92,780
Electricity.....	62,530	
Drawings.....	530,000	
Freehold premises.....	3,000,000	
Bank balance.....	753,340	
Sales.....		3,745,280
Motor vehicles.....	2,878,900	
Insurance.....	25,600	
Capital account.....		6,596,440
Debtors.....	126,350	
Stock on 1 st January, 2014.....	97,460	
Cash in hand.....	58,340	
Purchases.....	1,729,820	
Stationery.....	36,960	
Bad debts.....	54,700	
Creditors.....		87,680
Office equipment.....	1,485,840	

2016 IJMBE Accounting I contd.

Provision for bad debts.....		2,240
Loan.....		2,500,000
Furniture.....	882,500	
Salaries & wages.....	1,178,630	
Discounts.....	116,490	218,390
	<u><u>-N 13,242,810</u></u>	<u><u>-N13,242,810</u></u>

The following additional information is given:

- Stock on 31st December, 2014 was ₦156, 850
- Interest on loan at 5percent is yet to be paid
- Stationery of ₦ 180 remained unused
- Electricity bill of ₦2,400 has not been paid
- Provision for bad debts is to be made at 2 ½ percent on the balance of debtors
- Depreciation is to be written off on the balances of all fixed assets, except freehold premises, at the rate of 2 ½ percent per annum.

You are required to prepare Ayodele's:

- Trading, Profit or loss account for the year ended 31st December, 2014 and
- Balance sheet as at that date.

(24marks)

2. Chief Ebere keeps his records by single entry. On 1st January, and 31st December, 2013 he had the following balances:

	1 st January	31 st December
	₦	₦
Stock in hand	121,500	148,600
Accrued expenses	26,400	32,400
Land & buildings at cost	2,475,000	2,475,000
Office equipment at cost	892,800	1,578,400
Furniture at cost	266,700	266,700
Creditors	72,600	58,900
Debtors	84,900	292,700

The summary of his bank account on 31st December, 2013 was as follows:

2016 IJMBE Accounting I contd.**BANK ACCOUNT**

	₦		₦
Balance on 1 st January	186,520	payment to creditors	262,570
Cash sales	2,743,960	cash purchases	1,616,550
Cash received from Debtors	238,500	paid for expenses	163,770
		paid for electricity	48,500
		Paid wages	269,200
		Purchase of office equipment	685,600
		Paid for transportation	32,800
		Balance c/d	89,990
	<u>₦3, 168,980</u>		<u>₦3, 168,980</u>

The following additional information is given:

- i. ₦ 50,000 cash received from debtors have not been recorded
 - ii. Expenses of ₦1,200 have been paid in advance
 - iii. Discount received and discount allowed during the year were ₦156,900 and ₦82,700 respectively
 - iv. Bad debts of ₦3,620 are to be written off
 - v. Depreciation is to be written off at the rate of 5percent of all fixed asset balances, except land & buildings
- You are required to prepare for Chief Ebere:
- a. Trading, Profit or Loss account for the year ended 31st December, 2013 and
 - b. Balance Sheet as at that date
- (22 Marks)

SECTION B

Answer any THREE questions

3. The trial balance of Alhaji Jingi as at 31st December, 2014 did not balance. The following errors were discovered:

- i. The sales account was under cast by ₦15,900
- ii. Discount allowed of ₦550 was not recorded at all
- iii. Motor vehicle repairs of ₦3,720 was debited to motor vehicles account as well as the motor vehicle repairs account

2016 IJMBE Accounting I contd.

- iv. Credit purchases from Mallam Soji for ₦25,000 were debited to discount received account and credited to Mallam Choji account
- v. Bank charges of ₦3,200 were debited to miscellaneous expenses only with no credit entry
- vi. ₦182, 000 was paid to a creditor in full settlement of ₦ 85,000 owed. The debtors account was credited with ₦182, 000 owed. The debtors account was credited with ₦182,000 while discount allowed was debited with ₦3,000
- vii. Furniture purchased on credit for ₦275,000 was recorded by only crediting the furniture account
- viii. The balance of ₦775,000 on sales return account was listed as ₦755,000

You are required to:

- a. Determine the difference between the totals of the two columns, by clearly indicating the difference caused by each error and
- b. Prepare the suspense account to correct these errors

(18marks)

4. Bobai Social Club had the following balances on 1st January and 31st December, 2013:

	1 st January, 2013	31 st December, 3013
	₦	₦
Furniture	378,900	378,900
Debtors for refreshment	32,450	45,640
Sports equipment	895,600	1,147,600
Balance at Bank	271,540	568,200
Cash in hand	53,700	63,850
Subscriptions due	148,660	272,400
Unused stationary	17,530	26,960
Motor vehicles	1,634,600	1, 634, 600
Land & buildings	3,420,000	3,420,000
Stock of refreshments	87,470	57,510
Subscriptions paid in advance	68,920	48,670

2016 IJMBE Accounting I contd.

The club had the following receipts and payments account for the year 2013:

Receipts	N	Payments	N
Balance at bank	271,540	salaries & wages	782,500
Cash in hand	53,700	miscellaneous exps.	164,320
Sale of refreshment	1,754,680	purchase of refreshments	1,392,170
Cash received from debtors	269,470	travelling expenses	186,550
Subscriptions	1,179,600	lighting & cooling	75,680
		Stationery	43,720
		Sports equipment	252,000
		Balance at bank c/d	568,200
		Cash in hand c/d	63,850
	<u><u>N3, 528,990</u></u>		<u><u>N3, 528,990</u></u>

The following information is also given:

- i. Two workers in the Club's were given salary advance of N25,000 each
- ii. Expenses of N16,400 have not been paid
- iii. Bad debts of N1,470 are to be written off
- iv. Depreciation is to be written off at the rate of 5percent of all fixed assets, except Land & building

You are required to prepare Bobai Social Club's:

- a. Refreshment trading account
- b. Income and expenditure account for the year ended 31st December, 2013 and
- c. Balance sheet as at that date (18marks)

5. Mr. Thank-God had balances of debtors and creditors of N96, 570 and N72, 300 respectively, on 1st January, 2014. The sales ledger credit balances and purchases ledger debit balances on that date were N5, 280 and N3, 750 respectively. During the year ended 31st December, 2014, the following transactions took place:

Cash paid to creditors	N 381,900
Sales and purchases ledger transfer	13,650

2016 IJMBE Accounting I contd.

Discount allowed	102,700
Bills payable accepted	258,460
Cash received from debtors	1,476,250
Discount received	98,120
Bad debts written off	33,740
Purchases return to creditors	59,620
Credit sales	1,860,300
Bills receivable accepted	166,110
Credit purchases	974,830
Sales return by debtors	62,970
Bills receivable dishonored	24,550

Sales ledger credit balances and purchases ledger debit balances on 31st December, 2014 amounted to ₦7, 860 and ₦4, 920 respectively.

You are required to prepare Mr. Thank-God's:

- a. Sales ledger control Account and
- b. Purchases ledger control Account

(18marks)

6. The Bindawa & sons had the following balances on 31st December, 2012:

	₦
Factory insurance	37,500
Bank balance	962,800
Rent	580,000
Drawings	750,000
Factory wages	1,496,200
Office salaries	873,500
Selling and Administration expenses	327,400

Stocks on 1st January, 2012:

Raw Materials	249,730
Work in progress	585,960
Finished goods	437,580

Capital account	7,073,110
Bad debts	62,770

2016 IJMBE Accounting I contd.

Returns of raw Materials	120,350
Provision for bad debts	2,480
Stationery	84,620
Plant and machinery	4,792,150
Cash in hand	136,400
Purchase of Raw Materials	1,873,940
Delivery vans	1,685,000
Office insurance	21,500
Sale of finished goods	5,964,800
Factory lighting and cooling	271,960
Furniture	738,240
Returns of finished goods	95,810
Office electricity	64,830
Bank loan	3,000,000
Stocks on 31 st December, 2012:	
Raw Materials	376,590
Work in progress	402,750
Finished goods	1,594,160
Sundry Debtors	168,500
Sundry Creditors	135,650

The following additional information is given:

- i. Interest is due on the Bank loan at 6percent
- ii. One –quarter of rent is to be allocated to the factory
- iii. Provision for bad debts is to be made at 2percent on the balance of debtors
- iv. Depreciation is to be written off the plant and machinery at 2 ½ percent and at 5percent on the remaining fixed assets.

You are required to prepare Bindawa & sons':

- a. Manufacturing Account
- b. Trading, Profit or Loss account for the year ended 31st December, 2012 and
- c. Balance sheet as at that date. (18marks)

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