



**SUPP. 2017/2018**

**UNIVERSITY OF SWAZILAND**

**RE-SIT / SUPPLEMENTARY EXAMINATION PAPER**

**PROGRAMME: B.Sc. in Agricultural Economics and Agribusiness Management Year  
1**

**COURSE CODE: AEM 103**

**TITLE OF PAPER: INTRODUCTION TO AGRIBUSINESS ACCOUNTING**

**TIME ALLOWED: TWO (2) HOURS**

**INSTRUCTION: 1. ANSWER ALL QUESTIONS  
2. THIS PAPER CONSISTS OF TWO QUESTIONS**

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THE CHIEF INVIGILATOR**

Question 1

**Mbabane Internet Consulting Service**  
**Undusted Trial Balance**  
**December 31,2012**

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	Dr	Cr
Cash	49,100	
Consulting fees Receivable	23,400	
Prepaid office rent	6,300	
Prepaid dues and subscriptions	300	
Supplies (Inventory)	600	
Equipment	36,000	
Accumulated Depreciation		10,200
Notes payable		5,000
Income tax payable		12,000
Unearned consulting fees		5,950
Capital Stock		30,000
Retained earnings		32,700
Dividends	60,000	
Consulting fees		257,180
Salaries Expense	88,820	
Telephone expense	2,550	
Rent Expense	22,000	
Income tax expense	51,000	
Subscriptions expense	560	
Supplies expense	1,600	
Depreciation Expense: Equipment	6,600	
Miscellaneous expense	4,200	
	<b>353,030</b>	<b>353,030</b>

OTHER DATA

- a. On December 1, the company signed a new rental agreement and paid three months' rent in advanced at the rate of E2, 100 per month. This advanced payment was debited to the Prepaid Rent account
- b. Dues and subscriptions expiring during December amounted to E50.
- c. An estimate of supplies (inventory) on hand was made at December 31; the estimated of unused supplies (inventory) was E450.

- d. The useful life of the equipment has been estimated t five years (60months) from date of acquisition.
- e. Accrued interest on note payable amounted to E100 at year end. ( set up accounts for interest expense and for internet payable)
- f. Consulting service valued at E2, 850 were rendered during December to clients who made payment in advance.
- g. It is the custom of the firm to bill clients only when consulting work is completed or, in the case of prolonged engagements, at monthly intervals. At December 31, consulting services valued E11, 000 had been rendered to clients but not yet billed. No advanced payments had been received from these clients.
- h. Salaries earned by employees but not paid as of December 31 amount to E1, 700.
- i. Income taxed expense for the year is estimated at E56, 000 has been recognised as expense in prior months and E39, and 000 has been paid to tax authorities. The company has plans to pay the E17,000 remainder of its income tax liability on January 15

Instructions

- 1. Prepare the necessary adjusting journal entries on December 31,2012 **(18 marks)**
- 2. Determine the amount to be reported in the year end adjusted trial balance for each of the of the following accounts: **22 marks** ( 2 marks for presentations)
  - i. Consulting fees earned
  - ii. Salaries expense
  - iii. Telephone expense
  - iv. Rent expense
  - v. Supplied expense
  - vi. Dues and subscriptions expenses
  - vii. Depreciation expense : Equipment
  - viii. Miscellaneous
  - ix. Interest expenses
  - x. Interest Tax Expense
- 3. Using the Adjusted Trial Balance, prepare income statement for the year ended 31 December 2012 **(10 marks)**.

50 marks

**QUESTION 2**

The following account balances and other information are from Matsapha Trading Company's accounting records from the year end December 31, 2016. Use the information to prepare the following:

1. A table listing factory overhead costs **(15 marks)**
2. A manufacturing statement (show only the factory overhead cost **(15 marks)**)
3. Income statement for the year ending 31 December 2016 **(20 marks)**

1. Advertising	E85,000
2. Amortization expenses – Patents	16,000
3. Bad Debts expenses	28,000
4. Depreciation expense – office equipment	37,000
5. Depreciation expense – Factory building	133,000
6. Depreciation expense – Factory equipment	78,000
7. Direct labour	250,000
8. Factory insurance expired	62,000
9. Factory supervision	74,000
10. Factory supplies used	21,000
11. Factory utilities	115,000
12. Finished goods inventory. Dec 31.2007	15,000
13. Finished goods inventory Dec 31.2008	12,500
14. Good in process inventory, Dec 31,2007	8,000
15. Goods in progress inventory Dec 31,2008	9,000
16. Income taxes	53,400
17. Indirect labour	26,000
18. Interest expense	25,000
19. Miscellaneous expense	55,000
20. Property taxes on factory equipment	14,000
21. Raw materials inventory Dec.31,2007	60,000
22. Raw materials inventory Dec.31,2008	78,000
23. Raw materials purchases	313,000
24. Repairs expense – factory equipment	31,000
25. Salaries expense	150,000
26. Sales	1,630,000