ACF211/ AC211/ AC311 (M) DECEMBER 2016

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UNIVERSITY OF SWAZILAND DEPARTMENT OF ACCOUNTING MAIN EXAMINATION PAPER DECEMBER 2016

DEGREE/ DIPLOMA AND

YEAR OF STUDY

B. COM 11/B.COM LEVEL 3

TITLE OF PAPER

INTERMEDIATE FINANCIAL ACCOUNTING 1

COURSE CODE

ACF211/ AC211/ AC311 (M) DECEMBER 2016

TIME ALLOWED

THREE (3) HOURS

:

1

INSTRUCTIONS

- There are four (4) questions, answer all.
- 2 Begin the solution to each question on a new page.
- 3 The marks awarded for a question are indicated at

the end of each question.

- 4 Show the necessary working.
- 5 Calculations are to be made to zero decimal places

of accuracy, unless otherwise instructed.

Note: You are reminded that in assessing your work, account will be taken of accuracy of the language and general quality of expression, together with layout and presentation of your answer.

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVILATOR OR SUPERVISOR.

SPECIAL REQUIREMENTS:

CALCULATOR

Alpheus, Bright and Celine were partners in partnership sharing profits and losses in the ratio 4:3:3. Their partnership was liquidated on 31 December 2015 and their trial balance as at that date was as follows:

		DR	CR
		E	E
Capital accounts (at 1 Janu	ary 2015):	At the control of the parties of the control of the	ele transfer et transference et en
T. Seerell with tree.	Alpheus		45 200
And the second s	Bright		5 170
, and the first time seasons in every manage of user depth in equation in the arms. T	Celine	gi um mann i mar yn umanimmentytyr, gann ac mynnanu yr B	27 030
Loan: Alpheus		1	1 800
Trade and other payables	A Chambridge of the second debut of the		13 490
Motor vehicles	The State of California State	7 200	ernete citativarian incorrenza (introduceran materiametria des abours acteuro es
Furniture and fittings	*****	10 400	managan and and and and and and and and and a
Office equipment	1	1 300	a manage of the conf. As a management of the conf.
Inventory	The same of the same	55 800	a faller i men sed kammaniska politikor ultim vari kantinari demaka i se kinimari be E
Expenses prepaid	richari i garginare grapi i	250	
Trade and other receivables	and the best of green a problem	16 400	The second section of the second section sec
Allowance for credit losses	AND COMMON OF THE PARTY	etainen vakasta assertinaataasta on teatrituseetajateetavatinneetajate	800
Bank	T Grovenski meno i mi menoseu.	2 140	And the second s
THE REPORT OF THE PROPERTY OF	and the second s	91 350	93 490

The realisation transactions were as follows:

- 1. Alpheus took over one of the vehicles, which has a net carrying amount of E2,500, in settlement of His loan account.
- 2. The remaining vehicles were sold for E4,000.
- 3. E14,000 was collected from trade debtors.
- 4. Trade payables were settled in full for E12,990.
- 5. The furniture and fittings were sold for E10,200 and the inventory for E37,800.
- 6. It was agreed that Celine would be paid E1,200 for work he had done to sell the assets.
- 7. Liquidation expenses amounted to E3,400

Required:

Write up the following accounts for the year to 31 December 2015:

- a) The partners' capital accounts. $(6^{1}/_{2} \text{ Marks})$
- b) The liquidation/realization account. (11 Marks)
- c) Bank account. $(7^{1}/_{2} \text{ Marks})$

Craig Company uses a perpetual inventory system for its one product. Its opening inventory, purchases, and sales for 2014 are as follows:

Date	Activity	Units acquired at cost	Units sold at retail	Unit inventory
1-Jan-14	Open. Inventory	400 units @ E14=E5,600	1	400 Units
15-Jan-14	Sale		200 units @ E30	200 Units
10-Mar-14	Purchase	200 Units @ E15=E3,000		400 Units
1-Apr-14	Sale		200 units @ E30	200 units
9-May-14	Purchase	300 Units @ E16=E4,800		500 Units
22-Sep-14	Purchase	250 Units @ E20=E5,000		750 Units
1-Nov-14	Sale		300 Units @ E35	450 Units
28-Nov-14	Purchase	100 Units @ E21=E2,100		550 Units
		1,250 Units =E20,500	700 units	

- a) Calculate the cost of goods available for sale (4 Marks)
- b) Apply the FIFO to calculate ending inventory and cost of goods sold (9 Marks)
- c) Briefly discuss the two fundamental characteristics that make financial statements useful? (10 Marks)
- d) Explain what the going concern assumption means as it applies in the preparation of financial statements according to the conceptual framework? (2 Marks)

	E000	E000
Sales		495
Raw materials consumed	49	
Staff costs	37	
Depreciation	74	
Loss on disposal of assets	4	
Operating profit		-164
and the contract of the contra		331
Interest payable		-23
Profit before tax		308
Tax provision	t de la company	-87
Retained profit for the year		221
Ndoda Dla		
Statement of financial position	added to a continuous application in the services, which are not in this lates of the services of the forest the services and the services of	residential anno e accessor sequencial
The state of the s	2015	2014
Fixed assets (see below)	1 145	957
The same and the second	ang pan na manun manungan peggananggan pengganggan penggan penggan penggan na salam na penghanan penggan penggan di nasabawa manangga	ing time of management
Current assets		
Stock	19	16
Trade debtors	38	29
Bank	31	37
LINEAR CONTROL OF THE	88	82
Less: Current liabilitie	onakan daga anyanangan da adalanya, onagan, sabindannan ayuangan haraksi dalam samindag hilifoliak da isam sabindantah. 🔻 (danahista)	
Trade creditors	12	17
Taxation	100	81
ne seu montre en residencia se sus en seu confesion manere en seu en	112	.98
and the second of the second s	-24	-16
and the second s	1 121	941
Less: Long term liabilities	The second of th	F
Loans	70	320
and the part of the second sec	1 051	621
Capital	621	232
Cash introduced	39	1 -
Revaluation reserve	170	
Profit and loss	221	389
y y y () y no month of a professional contraction of the first field of the first o	1 051	621

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Additional information:		3 100 100 100 100 100 100 100 100 100 10	91 100 1 20 2 4	
Note 1	The second of th		e Post of the second of the second E	1
Fixed assets	Land & Buildings	Machinery	Furniture	Total
The second secon	E000	E000	E000	E000
Cost or valuation	Andrewskie i generoussieren zuert ist in der der der der ein in zureren, meisteren der Anzeiter messan ist er	from the own is a common or	Access measure on a common ment	AND THE ACTORISMS NAMED IN
at 31 December 2014	830	470	197	1 497
Additions	d-respondence from the property of the company of t	43	55	98
Disposals	ner - rivertiin 3 (200 - 3 Collectionered) (e. outrienerius) rivers (united particular and the content and the	-18	0	-18
Revaluation	of consequent the mean material content on the second content of the content of t	O	0	70
At 31 December 2015	900	495	252	1 647
Depreciation		de a grapagadidaniamagan yadar ad mariar sad	The same of the Land and Mindowski on a .	and deblorment of the
At 31 December 2014	-90	-270	-180	-540
Charge for year	-10	-56	-8	-74
Disposals	0	12	0	12
Adjustment on revaluation	100	0	0	100
At 31 December 2015	0	-314	-188	-502
Net book value		* * * * * * * * * * * * * * * * * * *	age a security of party of the con-	
At 31 December 2015	900	181	64	1 145
At 31 December 2014	740	200	17	957

Required:

Prepare a statement of cash flows for Ndoda Dlamini for the year ended 31 December 2015 in accordance with IAS7.

David, Seth, and Tayo entered into a joint venture for selling fish and chips during the local intervarsity games that were held in February/ March 2015. The following transactions took place:

2015

- February 1 David rented a caravan paying a whole month's rent E1,400.
- February 3 Seth bought a horse drawn cart for E1,450.
- February 5 Tayo received cash from sale proceeds of fish & chips E20,940.
- February 23 David bought fish and chips supplies for E11,300.
- February 24 The horse drawn cart was stolen and Tayo hired a sedan and paid by cheque an amount of E400 for its use.
- February 25 The horse drawn cart had been insured with SRIC who paid E1,100 to David.
- February 26 Sales of fish and chips, cash being paid by Seth E2,800.
- February 27 Lighting bills for caravan paid for by Tayo E58.
- February 28 Tayo bought fish and chips for E1,100.
- March 3 General expenses for caravan paid of E728. These were paid for by Tayo $\frac{1}{3}$ and David $\frac{2}{3}$.
- March 4 Fish and chips taken over by Tayo at an agreed valuation of E1,500.
- March 31 The Joint venture was ended. The fish and chips remaining were taken over at an agreed valuation of E4,100 by Seth.

Required:

- a) Prepare their joint venture accounts to close off the books of the venture.(15 Marks)
- b) Prepare the memorandum joint venture account assuming that they share profits and losses in the ratio David ²/₅, Seth ¹/₅ and Tayo ²/₅. Any outstanding balances between the parties were settled on 31 March 2015. (10 Marks)