

**UNIVERSITY OF SWAZILAND**

**FACULTY OF SOCIAL SCIENCE**

**DEPARTMENT OF LAW**

**MAIN EXAMINATION PAPER**  
**MAY 2009**

**ACADEMIC YEAR 2008/2009**

**PROGRAMME OF STUDY : BACHELOR OF LAWS**

**YEAR OF STUDY : YEAR THREE (3)**

**TITLE OF THE PAPER : ACCOUNTING FOR LAWYERS**

**COURSE CODE : L307 (M) 2009**

**TIME ALLOWED : THREE (3) HOURS**

**TOTAL MARKS : 100**

**INSTRUCTIONS**

- 1 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 your necessary workings.**

**NOTE: You are reminded that in assessing your work, account will be taken of accuracy of the language and the 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 INVIGILATOR / SUPERVISOR.**

**SPECIAL REQUIREMENT: NONE**

**QUESTION 1:**

The following trial balance was extracted from the General Ledger of D & D Attorneys at 28<sup>th</sup> February 2009:

	Dr.	Cr.
	E	E
Office furniture	48,000	
Accounts receivable	1,615	
Cash at bank	15,410	
Accounts payable		36,500
Capital		10,000
Drawings	24,000	
Fees earned		133,365
Printing and stationery	1,340	
Rent	39,000	
Telephone	2,400	
Insurance	3,195	
Bank charges	745	
Salaries and wages	42,100	
General expenses	2,060	
	179,865	179,865

**Required:**

- (A) Prepare an income statement for the year ended 28<sup>th</sup> February 2009. (10 marks)
- (B) Prepare a balance sheet as 28<sup>th</sup> February 2009. (10 marks)
- (Total marks: 20)**

**QUESTION 2:**

Mr. G. Made instructs Attorney B. Dlamini to act on his behalf in G. Made Vs S. Zulu. The following are the transactions in connection with the case:

- a) The sheriff is paid his summons fee of E20;
- b) B. Dlamini paid to Counsel B. Kunene E150 for the drawing of the declaration and replication, and E200 for attending on trial;
- c) Received G. Made's deposit of E100;
- d) G. Made wins the case and the following bill is taxed as between party and party:

Sheriff's costs	E10
Counsel's fees	E175
Attorney's fees	<u>E100</u>
	E285

- e) S. Zulu pays the above bill in full;
- f) B. Dlamini renders the following accounting to G. Made as between attorney and client:

Sheriff's costs	E10
Counsel's fees	E175
Attorney's fees	<u>E50</u>
	E235

- g) Made the necessary transfer in the ledger accounts of G. Made after balancing the accounts thereafter drew a cheque for the amount transferred, entering it in the cash books;
- h) Received the balance due to B. Dlamini from G. Made;

**REQUIRED:** Record the above transactions in the following books:

- |                              |           |
|------------------------------|-----------|
| (a) Clients' Business Ledger | (8 marks) |
| (b) Client's Trust Ledger    | (7 marks) |
| (c) Business cash books      | (4 marks) |
| (d) Trust cash books         | (5 marks) |
| (e) Fees Journal             | (2 marks) |
| (f) Transfer Journal         | (4 marks) |

**(Total marks: 30)**

**(Note: Folio columns must be completed)**

**QUESTION 3:**

The following information was obtained from the books of F Franc Attorneys:

2009

April 20      Receive an instruction from E Eiffel Attorneys to register a company for N Nice under the name of Nice Ltd.

April 30      The Company is registered and revenue stamps of E160 were issued out of stock.

F Franc Attorneys levy the following fees:

- E1,660 for services rendered,
- a correspondence fee of E50, and
- E90 for registering the company.

**Required:**

The following in the books of F Franc Attorneys for April 2009:

(A) Books of prime entry (Revenue stamp book and Fees journal).      **(5 marks)**

(B) General ledger (Clients control account and Fees earned account).      **(11 marks)**

(C) The account statement.      **(8 marks)**

**(Note: Folio columns must be completed)**

**(Total marks: 24)**

**QUESTION 4:**

(A) Explain the following Trust Accounting concepts:

- (i) Trust Money      **(8 marks)**
- (ii) Trust Creditors      **(6 marks)**
- (iii) Trust Investment      **(3 marks)**

(B) Write short notes on:

- (i) Correspondents Attorney      **(3 marks)**
- (ii) Conveyancing Transactions      **(3 marks)**
- (iii) Prepaid Income      **(3 marks)**

**(Total marks: 26)**

**END**