

**UNIVERSITY OF BAMEDA****COMMON ENTRANCE EXAMINATION JULY 2011 SESSION****CYCLE: 1<sup>st</sup> CYCLE****CAMPUS: BAMBILI****SERIES: ACCOUNTING****GENERAL EDUCATION** ☐ **TECHNICAL EDUCATION** ☐**PAPER: ACCOUNTANCY, DURATION: 3HOURS COEFFICIENT**

You are on three-month probation in an accountancy firm and head of department hands the following files in to you for appropriate treatment:

File one: standard costing

File two: company accounting and taxation

File three; cost accounting

File four: end-of-year adjustments

**FILE ONE:** standard costing (20mrks)

DENA is a firm located in Bambui and it is specialized in the manufacturing for sale of a finished product H through two workshops as follows:

- Workshop 1: it is manufactured a unit of intermediate product B from 0.6Kg of raw material M1
- Workshop 2: it is manufactured a unit of finished product H from the raw materials M2 and 1.5 units of intermediate product B.

The following information was provided for the normal activity.

- Workshop 1:
  - Raw material M1: 2,700Kg at 900F each
  - Direct labour: 1,800hours at 1,500F each

- Overhead manufacturing expenses: 2,610,00F of which 1,710,000F of variable expenses overhead absorption base: hour of direct labour.
- Workshop 2:
  - Raw materials M2: 1,950Kg at 2,050F each
  - Direct labour: 1,200 hour at 2,300F each
  - Overhead manufacturing expenses: 0.65 per unit of finished product for a total of 3,900,000F of which 1,462,500F of fixed expenses
  - Overhead absorption base: Kg of raw material consumed

For May 2010, the following entries were made:

- Opening stock:
  - Raw material M1: 700Kg at 1,200F each
  - Raw material M2: 900Kg at 2,000f each
  - Finished product H: 1,000units at 6,450F each
  - Finished product H in process: 500units at 4,560F each
- Purchases:
  - Raw material M1: 33,000Kg at 1,000F each
  - Raw material M2: 2,100Kg at 2,250F each
- Direct labour:
  - Workshop 1: 2,500 hours at 1,300F each
  - Workshop 2: 1,950 hours at 2,350F each
- Overhead absorption rate:
  - Workshop 1: 1,400
  - Workshop 2: 2,250
- Closing stock:
  - Raw material M1: 400Kg at 1,035F each
  - Raw material M2: 550Kg at 2,175F each
  - Finished product H: 1,250 units at 6,800F each
  - Finished product H in process: 800 units at 3,800f each.

Element	Product H in process
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	Opening stock	Closing stock
Raw materials	80%	100%
Direct labour	90%	70%
Overhead manufacturing expenses	60%	90%

Required:

- 1.1 prepare the unit standard cost index card of finished product H
- 1.2 prepare the comparison table between the actual cost and the standard cost of the intermediate product B and the finished product H
- 1.3 make the analysis of the raw material M2 total variance by calculation
- 1.4 make the analysis of the direct labour workshop 1 total variance by calculation
- 1.5 prepare the flexible budget in workshop 2 for 2,500Kg and 1,500Kg
- 1.6 Make the analysis of the overhead manufacturing expenses workshop 2 total variance by calculation.

**File two: company accounting and taxation (20mrks)**

The following information was provided as for GOTA Company:

Code number	31/12/2008	31/12/2009
1011	28,350,000	12,150,000
1012	-	16,200,000
1013	106,650,000	106,350,000
109	28,350,000	12,150,000
111	2,365,200	4,665,200
112	3,689,500	6,689,500
118	2,825,900	6,825,900
121	-	1,640,500
129	2,600,000	-
137	-	28,500,000
138	-	11,500,000
4616	4,600,000	-
4617	16,310,250	-

GOTa is a public limited set up on 15/10/2007 with capital made up of shares in kind and share in cash. The contribution in kind (industrial building) was paid on 01/11/2007 whereas, the contribution in cash was paid up to 2/5 by bank cheque on 15/11/2007; however, some holders of shares in cash paid up to 80% of their subscription.

Registration fees were paid by bank cheque on 17/11/2007.

On 15/08/2008; the board of directors called p a quarter of cash contribution with due date of payment on 10/09/2008; all the shareholder paid by bank cheque on 01/09/2008 except FRU, holder of 850shares in cash. After summons and no reply, his shares were sold at stock exchange on 31/10/2008 for a net amount of 22,162,500F with deduction of 1.5% of bank fees; the lateness interest amounted to 114,750f.

On 15/12/2009, the board of directors called up a part of cash contribution with due date of payment on 01/01.2010.

All the shareholders paid by bank cheque on 01/01/2010.

Required:

2.1 calculate the nominal value of a share

2.2 calculate the number of shares in cash

2.3 calculate the number of share in kind

2.4 Calculate the number of share paid by anticipation

2.5 calculate the rate per annum of the lateness interest

2.6 reconstitute the table of appropriation of the net profit for 2008 and calculate the value of r with the following information:

- Legal reserve according to the law:
- Statutory reserve:
- Optional reserve:
- First dividend or statutory interest: r%
- The balance after deducting the carried forward should be appropriated as second dividend
- Net super dividend per share of 668F

**FILE 3: CONST ACCOUNTING (20Mrks)**

MAYA is a enterprise located in Bamili and it is specialized in the manufacturing for sale of two finished products P and Q from a single M. the manufacturing of the finished product P entails a by-Product B and that of the finished product Q entails a marketable residual product A.

For the month of January 2010, the following information was provided:

- Opening stock
  - Raw material M: 2,000Kg at 3,600F each
  - Finished product P: 2,500unit at 5,250f each
  - Finished product Q: 1,000units at 5,310F each
  - Finished product Q in process: 6,000,000F
- Purchases of raw materials M: 8,000Kg at 2,200F each on 05/01/2010 with transport expenses of 600,000F and 5,000Kg at 2,000F each on 10/01/2010 with transport expenses of 200,000F
- Manufacturing requirements

Finished product P	Finished product Q	Raw material M
1	-	0.8Kg
-	1	0.75Kg

- Issues of raw material M:
  - Finished product P: 1,000Kg on 04/01/2010 and 7,000Kg on 13/01/2010
  - Finished product Q: 1/3 on 08/01/2010 and the balance on 15/01/2010
- Data on over head absorption analysis

Elements	Cleaning	Personnel	Power	Supply	Workshop	Distribution	Administration
Primary total	7,700,000	8,160,000	5,780,000	6,740,000	7,560,000	5,476,000	6,333,000
Cleaning	-	20	10	30	40	12	13
Personnel	05	-	15	25	40	10	05
Power	10	05	-	30	40	08	07
Overhead	-	-	-	1,000 francs of purchase	Kg of raw materials issued	Unit of output sold	Cost of out sold

- Manufacturing:
  - Finished product P on 19/01/2010
  - Finished product Q on 23/01/2010
  - By-product B: 2,500 units
- Expenses incurred for the additional processing of the by-product B: 1,000,000f

- Sales:
  - Finished product P: mark-up on sales 20% on 30/01/2010
  - Finished product Q: 900units at 6,440F each on 18/01/2010 and 6,100units at 6,300f each on 30/01/2010
  - By-product B: 2,075F per unit
  - Marketable residual product a: 2,400,000f
  - Commissions on sales for finished product Q: 2,141,000F
- Closing stock;
  - Raw material M: 1,000Kg 4,200F each
  - Finished product F: 500units at 4,250F each
  - Finished product Q: 2,000 units at 4,510F each.
- Other information
  - There is no stocking of by-product B
  - The by-product B has undergone an additional processing before its sale
  - The profit and the distribution expenses of By-product BP worth 20% of its sale value
  - Stock valuation method; weighted average cost after each receipt

Required:

- 3.1 prepare the overhead absorption or apportioning table
- 3.2 calculate the purchase cost of raw materials M
- 3.3 calculate the cost of production of each finished product
- 3.4 calculate the cost price of each finished product
- 3.5 calculate the costing result of each finished product

#### **FILE 4: END-OF-YEAR ADJUSTMENTS (20mrks)**

The following information was provided on 31/12/2009 before end-of –year adjustments as for COPA enterprise

- Marketable securities

Share	Number	Entry value	Average cost	
			31/12/2008	31/12/2009
MOTO	60	85,000	78,000	82,500
NETROTEC	80	80,000	76,000	74,500
MANOTEC	100	70,000	65,000	62,000

Shares NETROTEC were disposed on 26/12/2009 at 74,500f each by Giro bank cheque N°568 and 40 shares MANOTEC were acquired on 23/12/2009 at 65,000F each bank cheque N°596 with bank charges of 120,000F; no recordings were made

➤ Fixed assets

Fixed assets	Entry date	Entry value	Total depreciations	Net accounting	method of calculation	Life span
Original establishment expenses	01/10/2006	-	-	3,210,500	Straight line	5years
Industrial equipment	-	2,000,000	6,718,750	-	Straight line	-
Office equipment	-	38,000,000	23,565,125	-	Reducing balance	-

• Industrial equipment made up of:

- Machine A acquired on 01/06/2005
- Machine B acquired on 01/10/2009 by debiting 485 “claims on disposal fixed assets” by the credit of 241! “industrial equipment” with the entry value of 13,000,000f

N/B : industrial equipment is depreciated at the same rate in respect of the straight line method.

• Office equipment made up of:

- Office equipment A acquired on 01/01/2006 with lifespan 5 years
- Office equipment B acquired on 01/09/2005 with lifespan 10years

A/B: office equipment is depreciated in respect of the reducing balance method

➤ Statement of customers

Customers	Debt	Settlement	Previous depreciation	Observations
NINO	10,207,800	5,890,950	20%	Increased the depreciation by 5%

SAYA	6,847,335	3,410,550	-	Untraceable
TIYA	4,283,460	-	-	In state of bankruptcy and we are amongst unprivileged creditors

The situation of customer TIYA is as follows: total assets (20,000,000F of which 2,500,000F of original establishment expenses); privileged debts (7,500,000).

Required:

- 4.1 calculate the entry value of industrial equipment
- 4.2 calculate the rate of depreciation of industrial equipment
- 4.3 calculate the entry value of each office equipment
- 4.4 prepare the statement of customers
- 4.5 prepare the statement of marketable shares
- 4.6 calculate the depreciation charge for 2009
- 4.7 make the journal entries of the end-of-year adjustment



## Solutions to 2014 biz maths

1.A	2.D	3.C	4.B
5.B	6.D	7.A	8.A
9.C	10.	11. C	12.D
13.D	14.C	15.A	16.B
17.A	18.D	19.A	20.C
21.C	22.D	23.A,D	24.A
25.C			

## Solutions to 2013 biz maths

1.B	2.D	3.C	4.B
5.	6.A	7.D	8.A
9.	10.B	11. D	12.A
13.D	14.D	15.B	16.A
17.A	18.D	19.A	20.C
21.	22.D	23.	24.
25.C	26.C	27.A	28.
29.	30.A		