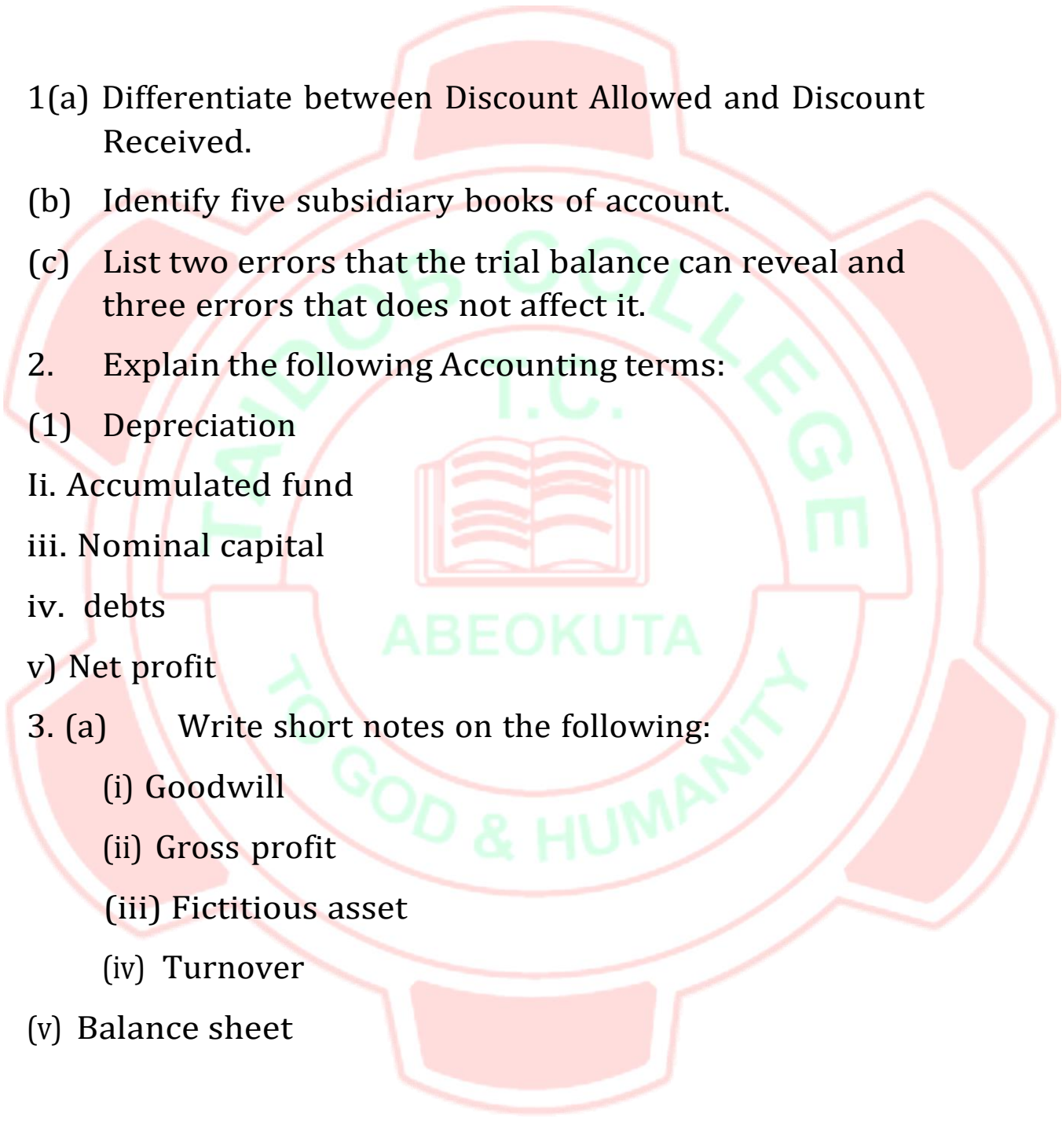


TAIDOB COLLEGE

PRE-WASSCE PREPARATORY ASSESSMENT

FINANCIAL ACCOUNTING

SS3

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- The logo of Taidob College is a large, stylized gear or cogwheel shape. It is light red and features a central circular emblem. Inside the emblem is an open book with a cross on top, and the text 'ABEOKUTA' is written below it. The words 'TAIDOB COLLEGE' are written in a circular path around the central emblem, and 'TO GOD & HUMANITY' is written along the bottom curve of the gear.
- 1(a) Differentiate between Discount Allowed and Discount Received.
- (b) Identify five subsidiary books of account.
- (c) List two errors that the trial balance can reveal and three errors that does not affect it.
2. Explain the following Accounting terms:
- (1) Depreciation
- ii. Accumulated fund
- iii. Nominal capital
- iv. debts
- v) Net profit
3. (a) Write short notes on the following:
- (i) Goodwill
- (ii) Gross profit
- (iii) Fictitious asset
- (iv) Turnover
- (v) Balance sheet

- b. Complete the following table showing which accounts are to be credited and which are to be debited.

	Account to be debited	Account to be Credited
Bought motor van for cash		
Bought office machinery on credit from Yuguda		
Introduced capital in capital		
A debtor Ade pays his account by Cheque		
Paid a creditor, Niyi in cash		

- 4a. Who is a consignee?
- b. Identify **three** components of fixed assets and **two** of current assets.
- c. List **ten** users of Accounting information

5. The following balances were extracted from the books of Afeez Bakare, a manufacturer for the year ended 31st December, 2018.

	Dr	Cr
Stock as at Jan. 1, 2018	10,000	
Raw materials	5,000	
Work-In-Progress	8,500	
Manufacturing:		
Direct	8,350	
Indirect	4,449	
Capital		40,500
Drawings	1,450	
Insurance	520	
Traveling expenses	4,300	
Rent & Rates-Factory	1,800	
Freehold premises	13,000	
Plants & Machinery- factory	20,000	
Sales		100,800
Cash	8,000	
Bank	3,000	
Salaries & wages	4,000	
Debtors & Creditors	5,000	10,120
Purchase of raw materials	50,500	
Discount received		490
Discount allowed	400	
Selling & administration expenses	3,650	
	151,910	151,910

Additional information:

(I) Stock at 31st December, 2018:

Raw materials. 12,600

Work in progress. 6,850

Finished goods. 8,120

(ii) Provision for depreciation to be made on plants and machinery at 10% per annum.

(II) and rates in advance #650

(iv) A provision for bad debts of #450 is to be made

You are required to prepare Manufacturing, Trading, Profit and Loss Account for the year ended 31st December, 2018.

6. From the following information, draw up the balance sheet of Mallam Afeez, a farmer, 20th March, 2017.

Land and building	36,000
Milking herb	8,100
Short term loan Mr Fayemi	5,000
Long term loan from Gtbank	30,000
Cash at bank	5,680
Cash in hand	1,750
Creditor	4,500
Equipment and tools	2,160
Machinery	12,870
Cassava (for sale)	4,440
Capital	31,500

From the Balance sheet, state Mallam Afeez's:

- I. Fixed assets
- II. Working capital
- III. Current Liabilities
- IV. Current Assets

7. Explain the following terms giving two examples of each:

- (i) fixed assets,
- (ii) current assets;
- (iii) capital;
- (iv) intangible assets;
- (v) current liabilities.

8. Wambu a retailer failed to keep his books on double entry system. He started the business on 1/1/20 with GH¢ 34,650 as capital and on 31/12/20 the financial position of the business were as follows:

	31/12/20
	GH¢
Cash in hand.	3,000
Trade creditors.	16,000
Accrued expenses.	5,000
Prepaid expenses.	4,200
Trade debtors.	21,600

Stock.	23,500
Bank overdraft.	20,000
Furniture and fittings	12,000
Motor vehicle.	17,800

Additional Information:

- (I) Drawings during the year amounted to GH¢ 3,000;
- (ii) Depreciate furniture and fittings by 10% and write off GH¢ 3,150 from motor vehicle.

You are required to:

- (a) Calculate the capital as at 31/12/20:
- (b) Prepare:
 - (i) Statement of net profit for the year ended 31st December 2020:
 - (ii) Balance sheet as at that date