办公室名称

中心号

考生号

会计

0452/03

7月6月 2007

1小时45分钟

考生在答题纸上作答。

不需要额外材料。

请阅读这些指示。

在交卷时请将所有工作装订在一起。

每个问题或部分问题的分数在每个问题或部分问题的末尾以方括号[]表示。

For Examiner's Use

1

2

3

4

5

Total

此文件包含17页打印页和3页空白页。
Shilpa Bassra is a trader who keeps a full set of accounting records. She divides her ledger into three specialist areas – nominal (general) ledger, purchases (creditors) ledger and sales (debtors) ledger.

REQUIRED

(a) State one advantage of dividing the ledger into these three areas.

Shilpa Bassra’s books of original (prime) entry show the following transactions for March 2007:

Purchases Journal

| Date  | Supplier            | Goods | Trade discount | Total
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>March 8</td>
<td>Omar El Gamal</td>
<td>440</td>
<td></td>
<td>440</td>
</tr>
<tr>
<td>21</td>
<td>Mohammed El Wakil</td>
<td>380</td>
<td>76</td>
<td>744</td>
</tr>
<tr>
<td>31</td>
<td>Total for month</td>
<td></td>
<td></td>
<td>744</td>
</tr>
</tbody>
</table>

Purchases Returns Journal

| Date  | Supplier            | Goods | Trade discount | Total
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>March 24</td>
<td>Mohammed El Wakil</td>
<td>160</td>
<td>32</td>
<td>128</td>
</tr>
<tr>
<td>31</td>
<td>Total for month</td>
<td></td>
<td></td>
<td>128</td>
</tr>
</tbody>
</table>

Cash Book (credit side)

| Date  | Supplier            | Discount Received | Cash | Bank
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>March 19</td>
<td>Omar El Gamal</td>
<td>11</td>
<td>429</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Mohammed El Wakil</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Cash purchases for month</td>
<td>990</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Write up the purchases account and the purchases returns account as they would appear in Shilpa Bassra’s nominal (general) ledger for the month of March 2007.
Shilpa Bassra is considering maintaining control accounts for her purchases (creditors) and sales (debtors) ledgers.

REQUIRED

(d) State two advantages to Shilpa Bassra of preparing control accounts.

(i) ...

(ii) ...

(e) State whether each of the following items would appear in Shilpa Bassra’s sales ledger control account as a debit or a credit entry. If the item would not appear write “No entry.”

The first one has been completed as an example.

<table>
<thead>
<tr>
<th>Item</th>
<th>Entry in sales ledger control account</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Sales returns</td>
<td>credit</td>
</tr>
<tr>
<td>(ii) Cheques received from debtors</td>
<td></td>
</tr>
<tr>
<td>(iii) Trade discount allowed to debtors</td>
<td></td>
</tr>
<tr>
<td>(iv) Contra items transferred to purchases ledger</td>
<td></td>
</tr>
</tbody>
</table>

[3]

[Total: 18]
Question 2 is on the next page.
2 James Kanu is a trader who sells goods on credit. He offers his credit customers a cash discount of 3% provided the account is paid within 30 days. He has applied the accounting principle of prudence and maintains a provision for doubtful debts. This provision amounted to $150 on 1 February 2006.

REQUIRED

(a) State two effects on his final accounts of applying the principle of prudence.

(i) .................................................................................................................................................. [2]
(ii) .................................................................................................................................................. [2]

(b) Name one other accounting principle which James Kanu is applying by maintaining a provision for doubtful debts.
.................................................................................................................................................. [1]

James Kanu’s transactions during the financial year ended 31 January 2007 included the following:

2006
Feb 4 Sold goods, $900, on credit to J. Ukata.
Mar 1 J. Ukata paid his account by cheque after deducting the cash discount to which he was entitled.

He purchased further goods, $80, on credit.
Dec 31 Received cash, $35, from W. Blanco whose debt had been written off in June 2005.

2007
Jan 31 As J. Ukata could not be found his account was written off.
James Kanu increased the provision for doubtful debts by $50.

REQUIRED

(c) Write up the following accounts in James Kanu’s ledger for the year ended 31 January 2007.

(i) J. Ukata account

(ii) Bad debts account

(iii) Bad debts recovered account

(iv) Provision for doubtful debts account
Where traditional “T” accounts are used they should be balanced and, where appropriate, the balance brought down on 1 February 2007. Where three column running balance accounts are used the balance column should be updated after each entry.

(i) J. Ukata account

(ii) Bad debts account

(iii) Bad debts recovered account
(iv) Provision for doubtful debts account

(d) Assuming that James Kanu did not maintain a provision for doubtful debts, state how each of the following would be affected.

Where the item is not affected write “No effect.” Where the item is affected insert the amount by which it is overstated or understated.

The first has been completed as an example.

<table>
<thead>
<tr>
<th>Item</th>
<th>Overstated</th>
<th>Understated</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Gross profit for the year ended 31 January 2007</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>(ii) Net profit for the year ended 31 January 2007</td>
<td>No effect</td>
<td>No effect</td>
</tr>
<tr>
<td>(iii) Total of current assets in the balance sheet at 31 January 2007</td>
<td>..................</td>
<td>..................</td>
</tr>
</tbody>
</table>

[4]

[Total: 19]
Jamil and Sara Suliman are in partnership.

On 30 April 2007 they discovered that a quantity of stock was missing from the warehouse. This loss is fully covered by their insurance company.

They are able to provide the following information for the year ended 30 April 2007:

- Sales: $30,000
- Purchases: $26,000
- Stock 1 May 2006: $5,000
- Stock in warehouse 30 April 2007: $4,500

The gross profit margin is 20%.

REQUIRED

(a) Calculate by means of a trading account the value of the missing stock on 30 April 2007.
The partners provide the following additional information:

At 1 May 2006

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account</td>
<td></td>
</tr>
<tr>
<td>Jamil</td>
<td>200 debit</td>
</tr>
<tr>
<td>Sara</td>
<td>600 credit</td>
</tr>
</tbody>
</table>

For the year ended 30 April 2007

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Running expenses</td>
<td>4600</td>
</tr>
<tr>
<td>Interest on capital – Jamil</td>
<td>2000</td>
</tr>
<tr>
<td>Sara</td>
<td>1000</td>
</tr>
<tr>
<td>Drawings – Jamil</td>
<td>3100</td>
</tr>
<tr>
<td>Sara</td>
<td>2800</td>
</tr>
</tbody>
</table>

Profits and losses are shared equally.

REQUIRED

(b) Using your answer to (a) and the information above calculate the net profit for the year ended 30 April 2007. Show your workings.

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................ [1]

(c) Calculate each partner’s share of the residual profit or loss for the year ended 30 April 2007. Show your workings.

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................ [3]
(d) Prepare the partners’ current accounts as they would appear in the ledger for the year ended 30 April 2007.

Where traditional “T” accounts are used they should be balanced and the balances brought down on 1 May 2007. Where three column running balance accounts are used the balance column should be updated after each entry.

[5]
On 1 May 2007 Jamil and Sara decided to admit their sister Fatima to the partnership. Jamil, Sara and Fatima agreed to share profits and losses 2:2:1.

Goodwill was valued at $20,000 on 1 May 2007, but did not appear in the books. The partners agreed that adjustments should be made for goodwill, but that a goodwill account was not to be maintained on the books permanently.

**REQUIRED**

(e) Complete the following tables to show the partners what entries are required in the ledger.

It is **not** necessary to prepare the ledger accounts.

(i) To enter goodwill on the books.

<table>
<thead>
<tr>
<th>account(s) to be debited</th>
<th>$</th>
<th>account(s) to be credited</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) To write off the goodwill.

<table>
<thead>
<tr>
<th>account(s) to be debited</th>
<th>$</th>
<th>account(s) to be credited</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[7]
[Total: 24]
Question 4 is on the next page.
Peter Mpho started business on 1 February 2006. After the preparation of his trading and profit and loss account for his first year of trading, the following balances remained on his books at 31 January 2007:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$145,000</td>
</tr>
<tr>
<td>Stock</td>
<td>$17,500</td>
</tr>
<tr>
<td>Debtors</td>
<td>$19,200</td>
</tr>
<tr>
<td>Creditors</td>
<td>$29,000</td>
</tr>
<tr>
<td>Premises at cost</td>
<td>$90,000</td>
</tr>
<tr>
<td>Equipment at cost</td>
<td>$50,000</td>
</tr>
<tr>
<td>Bank</td>
<td>$300 debit</td>
</tr>
<tr>
<td>Petty cash</td>
<td>$100</td>
</tr>
<tr>
<td>Drawings</td>
<td>$10,400</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>$13,500</td>
</tr>
</tbody>
</table>

The following matters were then discovered:

1. No adjustment had been made for wages owing at 31 January 2007 amounting to $200.

2. During the year Peter Mpho had taken goods costing $600 for his own use. This transaction had not been recorded in the accounting records. This does not affect the closing stock on 31 January 2007.

3. Equipment should have been revalued on 31 January 2007. The estimated value at that date was $47,000.

4. The bank statement received on 31 January showed that the bank had debited the business’s bank account with charges of $1,050. This had not been recorded in the accounting records.

5. The cost of delivering goods to a customer, $150, had been debited to the carriage outwards account. The customer had agreed to pay the delivery cost and this amount should have been debited to his account.

REQUIRED

(a) Prepare the balance sheet of Peter Mpho at 31 January 2007 taking the above matters into account.

The calculation of the corrected net profit should be shown either within the balance sheet or as a separate calculation.

You may use the space on page 16 for your workings.
Peter Mpho
Balance Sheet at 31 January 2007

[Blank Page]
Peter Mpho knows that he will soon have to make decisions about the accounting policies he needs to apply.

**REQUIRED**

(b) List **four** objectives which Peter Mpho must consider when selecting accounting policies.

The first has been completed as an example.

(i) **Relevance**

(ii) ..................................................

(iii) ..................................................

(iv) .................................................[3]

(c) Explain to Peter Mpho what is meant by the term "relevance".

........................................................................................................................................[2]

[Total: 19]

Use the space below for your workings

........................................................................................................................................
Question 5 is on the next page.
Mona El Tawil is a sole trader. Her financial year ends on 31 December. She provided the following information:

For the year ended 31 December 2006

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales – cash</td>
<td>115 000</td>
<td></td>
</tr>
<tr>
<td>credit</td>
<td>275 000</td>
<td>390 000</td>
</tr>
<tr>
<td>Purchases – cash</td>
<td>5 000</td>
<td></td>
</tr>
<tr>
<td>credit</td>
<td>465 000</td>
<td>470 000</td>
</tr>
</tbody>
</table>

At 31 December 2006

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>29 000</td>
</tr>
<tr>
<td>Creditors</td>
<td>40 000</td>
</tr>
<tr>
<td>Stock</td>
<td>34 000</td>
</tr>
<tr>
<td>Bank</td>
<td>7 000 debit</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>180 000</td>
</tr>
</tbody>
</table>

Mona El Tawil decides to compare her position with that at the end of the previous financial year.

REQUIRED

(a) Complete the table on page 19 to show the ratios for Mona El Tawil’s business for the year ended 31 December 2006. You may use the space below for your workings.

Calculations should be correct to two decimal places for (i) and (ii) and should be rounded up to the next whole day for (iii) and (iv).

Use the space below for your workings
Place the ratios you have calculated for 5 (a) into the table below.

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Year ended 31 December 2005</th>
<th>Year ended 31 December 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Current ratio</td>
<td>2.25 : 1</td>
<td></td>
</tr>
<tr>
<td>(ii) Quick ratio</td>
<td>0.75 : 1</td>
<td></td>
</tr>
<tr>
<td>(iii) Collection period for debtors</td>
<td>30 days</td>
<td>days</td>
</tr>
<tr>
<td>(iv) Payment period for creditors</td>
<td>24 days</td>
<td>days</td>
</tr>
</tbody>
</table>

(b) Explain why the quick ratio is more reliable than the current ratio as an indicator of liquidity.

(c) State whether Mona El Tawil will be satisfied with the change in the quick ratio.

(d) Suggest one possible reason which could account for the change in the current ratio.

(e) State and explain whether you think Mona El Tawil will be satisfied with the change in the debtors' collection period.
   (i) Will she be satisfied? .......................................................... [1]
   (ii) Explanation ................................................................................. [2]
(f) Explain how the change in the debtors' collection period may have affected the payment period for creditors.

........................................................................................................................................ [2]

(g) Name one other ratio which would help Mona El Tawil assess the liquidity position.

........................................................................................................................................ [1]

Mona El Tawil would like to compare her results with those of other businesses. She is aware that even comparing with a business of a similar size dealing in similar goods can produce misleading results.

REQUIRED

(h) List four things Mona El Tawil should consider when comparing her results with those of a similar business.

The first has been completed as an example.

(i) There may be differences that affect profitability e.g. one business may rent premises and the other business may own premises.

(ii) ........................................................................................................................................

........................................................................................................................................

(iii) ........................................................................................................................................

........................................................................................................................................

(iv) ........................................................................................................................................ [3]

[Total: 20]