ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL CERTIFICATE

IN

BUSINESS, MANAGEMENT AND SECRETARIAL STUDIES

SUBJECT: Basic Accounts

PAPER NO: 310/19/S01

DURATION: 3 hours

MARCH/APRIL 2022 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all five (5) questions.
2. Show all workings where necessary.
3. All solutions to be presented in acceptable format.
4. Silent, non-programmable calculators may be used.

This paper consists of 7 printed pages.

PAPER NO: 310/19/S01 – BASIC ACCOUNTS

QUESTION 1

(15 marks)

The following are the cash book (bank columns) and bank statement of Chipo Shumba Pvt Ltd for the month of May 2017.

Cash Book for the month of May

DR 2017		$	2017		CR $
May 6	D Zulu	230	May 1	Balance b/d	1 900
8	P Panel	265	5	Rent	304
20	Sales	670	15	Rates	854
22	G Gumbo	995	18	P Wanita	261
25	V Vhundu	239	21	T Taurai	432
28	Dividends	540	26	Salaries	1 500
31	Balance c/d	2 312			
		5 251			5 251
			June 1	Balance b/d	2 312

Chipo Shumba's Bank Statement

		DR	CR	Balance
May 1	Balance b/d			1 900 O/D
6	Deposit		230	1 670 O/D
8	Rent	304		1 974 O/D
18	P Wanita	261		2 235 O/D
19	Standing order tax	94		2 329 O/D
20	Credit transfer T Fray		500	1 829 O/D
25	Deposit		239	1 590 O/D
28	Bank charges	78		1 668 O/D
29	Direct debit D Dube	32		1 700 O/D
30	Commission		59	1 641 O/D

Required:

i) Prepare the updated cash book for the month of May 2017.

ii) Prepare a bank reconciliation statement as at 31 May 2017.

QUESTION 2

(25 marks)

The following trial balance was extracted from the books of S. Mapembere on 31 December 2017.

	DR	CR
	$	$
Sales		24 700
Purchases	4 200	
Opening stock	1 300	
Motor vehicle	20 000	
Carriage inwards	250	
Carriage outwards	120	
Rent	570	
Insurance	240	
Advertising	340	
Discount allowed	100	
Discount received		190
Provision for bad debts		300
Fixtures and fittings	29 500	
Electricity	120	
Wages and salaries	3 850	
Debtors	2 100	
Creditors		134
Petty cash	680	
Cash at bank	954	
Drawings	1 000	
Capital		40 000
	65 324	65 324

Additional information:

a) Closing stock on 31 December 2017 $800.

b) Rent prepaid $80.

c) Salaries and wages accrued $65.

d) Provision for depreciation on Motor Vehicles and Fixtures and Fittings is 20% per annum using the straight line method.

e) Decrease the provision for bad debts to 10% of debtors.

Required:

a) To prepare the statement of comprehensive income for the year ended 31 December 2017.

b) The statement of financial position as at 31 December 2017.

QUESTION 3

(20 marks)

Fudzamombe wholesalers conducted a stock take in the month of May 2017. It became apparent that pilferage was rampant and disagreement over outstanding balances for Debtors and Creditors was a common thing. It was decided to introduce control accounts going forward. The following information was available for the month of May 2017.

May 1	Purchases ledger balance CR	9 240
	Sales ledger balance DR	8 250
	Purchases ledger balance DR	295
	Sales ledger balance CR	640
	The following transactions took place during the month:	
May 31	Purchases journal	44 250
	Sales journal	52 560
	Trade discount allowed	3 000
	Receipts from customers	40 000
	Payments to suppliers	36 900
	Provision for bad debts	2 000
	Bad debts	150
	Discount allowed	450
	Discount received	600
	Returns inwards	500
	Returns outwards	275
	Accounts settled by set off	365
	Refunds to debtors	170
	Debtors' dishonoured cheques	194
	Interest charged on overdue Debtors' accounts	90
	Interest charged by suppliers on overdue accounts	68
	Bills receivable	200
	Bills payable	150
	Cash received from credit suppliers in respect of overpayments	55
May 31	Balances in the ledgers stood as follows:	
	Dr balance in the Purchases ledger	270
	Cr Balance in Sales ledger	110

Required:

a) Prepare the Sales ledger Control Account.

b) Prepare the Purchases Ledger Control Account

QUESTION 4

Tawana and Trust are in partnership sharing profits and losses equally. The partnership has the following balances in its books as at 30 June 2010.

Capital accounts:

Tawana	$20 000
Trust	$25 000

Current accounts:

Tawana	$4 200 CR
Trust	$2 060 DR

Drawings for the year ended 30.6.10:

Tawana	$12 000
Trust	$15 000

The deed of the partnership provided that they allow 5% interest on capital and 1% interest on drawings. Trust to receive a salary of $3 000 for managing the business.

The net profit amounted to $20 300.

Required:

a) The Profit and Loss Appropriation Account for the year ended 30 June. (8 marks)

b) Current Accounts in Columnar form. (5 marks)

c) The Balance Sheet (extract). (7 marks)

QUESTION 5

(20 marks)

On 31 December 2017 the following balances were extracted from the books of Bricks Limited.

	$
Stocks 1 January 2017	
Raw materials	10 800
Work in progress	9 800
Finished goods	14 400
Sales for the year	138 000
Purchases of raw materials	33 000
Manufacturing wages	38 200
Royalties	5 600
Carriage inwards on raw materials	1 400
Factory overheads	35 200
Office salaries	1 500
Depreciation office equipment	700
Depreciation plant	3 000
Carriage outwards	400
Office expenses	1 000
Returns of raw material	200
Oils and lubricants	1 000
Insurance – office	500
Insurance factory	2 000
Stocks at 31 December 2017:	
Raw material	11 800
Work in progress	10 400
Finished goods	15 900

Required:

Prepare the Manufacturing, Trading, Profit and Loss Account for the year ended 31 December 2017, showing clearly within the account the cost of raw material consumed, prime cost and the production cost of finished goods.

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