ZIMBABWE

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

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL CERTIFICATE

IN

ACCOUNTANCY

MODULE: Business Accounting II

PAPER NO: 310/22/M06
310/25/M06

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all questions.
2. Show all workings where necessary.
3. A silent non –programmable calculator may be used.
4. Begin each answer to a new question on a fresh page.

QUESTION 1

Prepare a manufacturing account and an income statement for the year ended 31 December 2023 from the following information extracted from the books of W. Miller.

Inventory 01/01/23	
- Raw materials	25400
- Work in progress	31 100
- Finished goods	23260
Purchases of raw material	91535
Carriage on raw materials	1960
Direct labour	84208
Office salaries	33419
Rent	5200
Office lighting and heating	4420
Depreciation : works machinery	10200
Office equipment	2300
Sales	318622
Factory fuel and power	8120

Additional information :

Rent to be apportioned: factory ¾, office ¼	
Inventory at 31 December 2023: Raw Materials	$28 900
Work in progress	$24 600
Finished goods	$28 840

(20 marks)

QUESTION 2

From the following information for the month of December 2022 prepare the sales ledger and purchases ledge control accounts:

01/12/22	**$**	
Sales ledger	10700	Dr
Sales ledger	860	Cr
Purchases ledger	8900	Cr
Purchases Ledger	550	Dr
Transactions for the month :		
Credit sales	42600	
Credit purchases	24000	
Returns inwards	3300	
Returns outwards	2100	
Receipts from credit customers	37700	
Payments to credit suppliers	18000	
Discount received	1800	
Discount allowed	2400	
Bad debts written off	450	
Dishonoured cheques from debtors	1600	
Interest on debtors overdue accounts	300	
Set off	250	
31/12/22		
Sales ledger	640	Cr
Purchases ledger	480	Dr
Sales ledger	10880	Dr
Purchases ledger	10680	Cr

(20 marks)

QUESTION 3

Tinoda and Anotida are in partnership sharing profit and losses in the ratio 2:3. Their partnership agreement provides the following:

(a) Interest is to be charged on drawings at the rate of 5% per annum.

(b) Interest on capital account balances is at the rate of 2%

(c) Anotida is to be given an annual salary of $3000.

The net profit of the business for 2019 was $22000.

The following information was extracted from their books on 31/12/2019.

Capital:	Tinoda	$25000
	Anotida	$10 000
Current accounts:	Tinoda	$8000
	Anotida	$5000
Drawings:	Tinoda	$7000
	Anotida	$4000

Required:-

(a) Prepare a statement of changes in equity for the year ended 31 December 2019. (7 marks)

(b) The partners capital and current accounts (13 marks)

QUESTION 4

Sibongile Moyo commenced trading on 1 January 2023 with capital of $40 000 which was used to open a business bank account. Unfortunately Sibongile has found it difficult to keep her business accounts properly. However, the following information is available for the year ended 31 December 2023.

(a) All business receipts and payments have been passed through the business bank account.

(b) All business receipts are deemed to be from credit customers

(c) Bank payments have been summarised as follows:-

	$
Payments to suppliers	64240
Fixtures and fittings	20000
Motor vehicles	12000
Rent and rates	3200
Heating and lighting	900
Wages	5600
Drawings	8000

(d) All fixed assets were acquired on 1 January 2023.

(e) Inventory - in – trade was valued on cost at 31 December 2023 at $6000.

(f) Depreciation is provided at the following annual rates on the cost of fixed assets: Motor vehicles 25%, fixtures and fittings 10%.

(g) Trade payables at 31 December 2023 amounted to $7300 and trade receivables were $6900.

(h) All purchases and sales are on credit.

Required:

Prepare a statement of Comprehensive Income for the year ended 31 December 2023 and a statement of financial position as at that date.

(20 marks)

QUESTION 5

The Trial Balance of E Benjamin did not balance. The credit column had a shortage of $6730. The following errors were discovered:-

(a) The total of the sales day book was understated by $7800.

(b) The debit side of the telephone account was overcast by $530.

(c) A credit purchase invoice for $98 was entered into the purchase journal as $89.

(d) Commission paid of $800 was credited to the commission received account.

(e) The sale of an old of equipment for $900 was credited to the sales account.

(f) An invoice of $200 for the purchase of stationery on credit has been omitted from the books of prime entry.

Required:

Journal entries to correct the above errors and a suspense account.

(20 marks)

......../cn