ZIMBABWE

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

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL CERTIFICATE

IN

ACCOUNATNCY

MODULE: **Business Accounting II** **PAPER NO: 310/22/M06**

DURATION: **3 Hours**

NOVEMBER/ DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

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

This paper consists of 5 printed pages.

QUESTION 1

Silobela Forestries had the following account balances in their books:

January 1 2020	Sales ledger	$76 000 Dr
		$4 000Cr
	Purchase ledger	$25 900 Cr
		$1100Dr

The following transactions took place during the month of January 2020:

	$
Received from cash sales	20 800
Cheques paid to creditors	181 500
Cheques from debtors	210 500
Returns outwards	1 900
Credit sales	224 000
Credit purchases	175 200
Bad debts written off	6 120
Discount allowed	1 580
Returns inwards	1 300
Discounts received	700
Refund to credit customers	500
Dishonoured cheques	2 000
Interest charged by suppliers on overdue accounts	1 000

a) Sales Ledger Control Account (10 marks)

b) Purchases Ledger Control Account (10 marks)

QUESTION 2

Albert and Johana were in partnership operating as equal partners.

The following details were extracted from their books on 31 December 2020

	Albert	Johana
	$	$
Capital	40 000	40 000
Drawing	6 000	3 000
Current Accounts	2 000	1 000
Salary	2 000	3 000

Net profit for the year was $40 000

Interest on drawings 10% p.a

Interest on capital accounts 5% p.a

Johan was entitles to a bonus equal to 10% of the profit earned.

On 1 June Albert injected additional capital of $5 000 while Johan withdrew goods for personal use worth $1 000 which have not been recorded in the books of accounts on 1 June 2020.

Required

a) Profit and loss appropriation account. (12 marks)

b) Current Account in columnar format (8 marks)

QUESTION 3

The account has found the following details of transaction for white's shop for the year ended 31 December 2022

a) The sales are mostly on credit. No record of sales has been kept, but $61 500 has been received from persons to whom goods have been sold- $4 8000 by cheque and $13 500 in cash.

b) Amount paid by cheques to supplies during the year $31 600

c) Expenses paid during the year by cheque: Rent $ 3 800, General expenses $310, by cash: rent $400

d) White took $250 cash per week for 52 weeks as drawings.

e) Other information is available:

	At 31/12/2021 $	At 31/12/2022 $
Accounts receivable	5 500	6 600
Accounts payable for goods	1 600	2 600
Rent owing	-	350
Cash balance	320	420
Inventory	6 360	6 800

f) The only non- current asset consists of fixtures which were valued at 31 December 2021 at $3 300. These are to be depreciated at 10% per annum.

Required to prepare

A statement of Comprehensive income for the year ended 31 December 2022. (20 marks)

QUESTION 4

Whitehead and Jack is a manufacturing company. At the end of their financial year on 30 June 2023 they had the following information in their books:

Stocks on 1 January 2022	$
Raw materials	17 500
Finished goods	24 800
Work in progress	15 270
Wages and salaries:	
Factory direct	138 500
Factory indirect	27 200
Purchases of raw materials	95 600
Fuel and power (factory)	18 260
Sales	410 400
Insurance	3 680
Returns inwards	5 200
Stocks at 30 June 2023	
Raw materials	13 200
Finished goods	14 600
Work in progress	15 100

Additional information

a) The company's machinery had a balance of $82 000 and the provision for depreciation on machinery was $27 000 on 1 July 2022. Their policy is to depreciate machinery at 20% per annum using the diminishing balance method

b) Fuel and power $390 were in arrears on 30 June 2023 and on the same date insurance prepaid was $240.

c) Apportion insurance in the ratio of 5:3 (for factory administration).

Required

Prepare Whitehead and Jack's Manufacturing and Trading Account. (20 marks)

QUESTION 5

Jorum Sithole Ltd extracted a trial balance which failed to agree by a shortage of $34 450 on the debit side on 31 June 2022.

In July 202022 the following errors were discovered:

i) A payment of $15 000 made to T. Tunks, a creditor, had been omitted from the books

ii) The telephone account had been undercast by $17 450

iii) A payment to Bulawayo City Council had been posted on the credit side of this account, the amount paid was $6 700.

iv) The rent and rates account had been under added by $5 000.

v) Discount received of $6 700 had been posted to the debit side of the Discount Allowed Account.

vi) Commission payable of $60 000 had been posted to the credit side of the Commission receivable account.

Required

a) Journal entries to correct the errors. Narratives are not necessary.

b) A suspense account (20 marks)

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