



ST. AUGUSTINE'S COLLEGE, CAPE COAST

BUSINESS DEPARTMENT

ACCOUNTING

FROM TWO

23RD MAY, 2025

Reading Assignments

1. Control accounts
2. Single entry and incomplete records
3. Non trading organizations
4. Manufacturing accounts

Present notes you made on these topics

Answer the following questions in an exercise book to be submitted when school reopens for marking and grading

Control accounts

Objective Test

1. Which of the following is not a debit item in the sales ledger control account?
 - A. Cash received from debtors
 - B. Credit Sales
 - C. Dishonoured cheque
 - D. Interest on overdue debtors
2. Debtors and creditor ledger control account are kept in
 - A. General ledger
 - B. personal ledger
 - C. Debtor's ledger
 - D. Creditor's ledger
3. An example of a self-balancing account is the
 - A. Cashbook
 - B. Control account
 - C. Suspense account
 - D. Trial balance

¢

Use the information to answer question 4 and 5

Sales Ledger balance 1/06/2012	9,000
30/06/2012	30,000
Total for the month: cash sales	10,000
Returns inwards	3,000
Cheque dishonoured	4,000

4. The credit sales for the month are

- A. C 20,000
- B. ¢ 36,000
- C. ¢20,000
- D. C 36,000

5. The total sales for the month is

- A. ¢ 36,000
- B. ¢ 31,000
- C. ¢ 30,000
- D. ¢ 20,000

Theory Question

1. Define control accounts
2. State the two types of control account
3. State four items that are credited to the debtors control account
4. Outline three advantages of control accounts

Practical Question

1. From the information below prepare a debtor's control account

Credit sales	50,000
Return inwards	12,000
Balance on debtors 1/1/2022	45,000
Cash paid to suppliers	120,000
Cheque received from customers	19,000
Set off	5,000
Dishonoured cheque	4,300
Interest charged on overdue debts	10,000
Discount received	22,000
Discount allowed	11,000

Single Entry and Incomplete Records

Objective Test

1. A summary of assets and liabilities prepared from an incomplete record is called
 - a. Receipt and payment account
 - b. Income and expenditure account
 - c. Statement of affairs
 - d. Accumulated fund
2. A statement of affairs is similar to a/an
 - a. Trading account
 - b. Income and expenditure account
 - c. Trial balance
 - d. Balance sheet
3. Which of the following are used to determine profit when records are incomplete
 - I. Opening capital
 - II. Current liabilities
 - III. Closing capital
 - IV. fixed assets

- V. Drawings
- I, II and II
 - I, III and V
 - II, III and V
 - II, IV and V

Use the following information to answer questions 4 and 5

The following relates to TOMATO ENTERPRISE

	1/7/10	30/6/11
	¢	¢
Stock	1,460	4,200
Motor van	3,600	3,200
Creditors	600	700
Drawings during the year amounted to ¢ 1,500		

- Opening capital is
 - ¢ 5,660
 - ¢ 5,060
 - ¢ 4,460
 - ¢ 2,960
- Closing capital is
 - ¢6,700
 - ¢5,660
 - ¢4,460
 - ¢2,960

Theory Question

- What is single entry?
- State four ledgers that may not be properly kept under single entry system of book keeping
- Outline three disadvantages of single-entry method of book keeping

Practical Question

Real Madrid runs a butchery for which proper accounting records are not kept. However, you have been able to ascertain the following.

	1 st January, 2009	31 st December, 2009	
	\$	\$	
Capital	13,420	-	
Creditors	720	1,180	
Debtors	300		
Stock	840	1,140	
Bank	1,570	120	O/D
Cash	230	246	
Motor Vehicle	7,200	5,400	
Fixtures and Fittings	4,000	3,000	

Real Madrid withdrew \$250 cash and \$20 worth of meat; per week

- Prepare the statement of affairs as at 31st December, 2009
- Prepare the statement of profit for the year ended 31st December, 2009

Non trading organizations

Trial Objective Test

1. In a not-for-profit making organization, the Receipts and Payments account is the equivalent of
 - A. Profit and loss account
 - B. Balance sheet
 - C. Capital account
 - D. Cashbook
2. Subscription owings at the end of an accounting year is shown in the balance sheet as
 - A. Current asset
 - B. Long-term liability
 - C. Owner's equity
 - D. Fixed asset
3. A statement of affairs shows
 - A. Receipt and payment
 - B. Revenue and expenditure
 - C. Financial position
 - D. Profit and loss
4. One of the following is not an income of a professional association
 - A. Member subscription
 - B. Membership registration fees
 - C. Donation received
 - D. Subscription to professional journal
5. The capital of a non-profit making organization is called
 - A. Capital surplus
 - B. Accumulated fund
 - C. Owner's equity
 - D. Surplus

Theory Question

1. State four sources of income to a non-profit making organization
2. Define Non-Profit making organizations
3. Outline five differences between receipt and payment account and income and expenditure account

Practical Question

The following statement has been prepared for the XYZ Social Club:
Receipts and Payments Account for the year ended 30 April 2007

	\$		\$
Balance at bank at 1 May 2006	1,950	Payment for food and drink	6,320
Subscriptions	4,975	Wages	8,790
Cafeteria takings	11,860	New furniture	600
Receipt from members for trip to Bangkok	10,900	Insurance	430
Letting of club premises	3,100	Annual social expenses	760
Sale of tickets-annual social	720	Lighting and heating	510
		Purchase of new video machine	420
		Publicity expenses	335
		Expenditure for trip to Bangkok	10,650
		General Expenses	215
		Repairs & maintenance	870

	Balance at bank at 30 April 2007	3,605
<u>33,505</u>		<u>33,505</u>

The following additional information is as at 1 May 2006

Club premises, valued at cost	32,000
Furniture	1,800
Equipment (including old video machine valued at \$40)	860
Stock of food and drink	1,800
Insurance prepaid	40
Creditors for food and drink	165
Lighting and heating accrued	130
Subscriptions: in arrears (paid in May 2006)	170
Subscription: in advance	120

The following additional information is as at 30 April 2007

Stock of food and drink	1,650
Creditors for food and drink	470
Insurance prepaid	55
Lighting and heating accrued	110
Subscriptions in arrears	290
Subscription in advance	90

1. Calculate the Accumulated Fund at 1 May 2006
2. Prepare the subscription account

Manufacturing Account

Trial Objective Test

1. The gross manufacturing profit of a firm is transferred to its
 - A. Profit and loss account
 - B. Balance sheet
 - C. Income and expenditure account
 - D. Trading account
2. Cost that is easily traceable to a particular unit of goods is
 - A. Manufacturing cost
 - B. Total cost
 - C. Fixed cost
 - D. Prime cost
3. Which of the following best describes prime cost
 - A. Direct cost, production overheads and work-in-progress
 - B. All the direct costs of production and overheads
 - C. Cost of direct labour and depreciation
 - D. Cost of direct labour, direct materials and direct expenses
4. Partly manufactured goods are treated in the balance sheet of a manufacturing firm as
 - A. Fixed asset
 - B. Current asset
 - C. Current liabilities
 - D. Owner's equity

5. Which of the following will not be charged to the manufacturing account?
 - A. Opening work-in-progress
 - B. Direct expenses
 - C. Carriage on raw materials
 - D. Office rent

Theory Question

1. What is the main purpose of preparing a manufacturing account?
2. Define the following
 - a. Prime cost
 - b. Factory overheads
 - c. Work-in-progress
3. Briefly describe manufacturing profit

Practical Question

Crystal Enterprises, a manufacturing entity has presented the following balances for the year ended 31st December, 2009

Inventories of raw materials at 1/1/2009	30,000
Purchases of raw materials	40,000
Return outwards	2,000
Manufacturing wages	40,000
Carriage outwards	28,000
Depreciation of Plant	5,600
Rent and rates	16,000
Inventories of raw materials of 31/12/2009	26,000
Factory expenses	16,800
80% of rent and rates relates to the factory	

Prepare the Manufacturing account for the year ended 31st December, 2009

REFERENCES

1. ACCA Manual:(2005) Accounting Framework, AT Foulk Lynch,2005.
2. ICAG (2019), Study Text - Financial Accounting.
3. NaCCa (2023), Business Studies Curriculum.
4. Oduro E. (2011), Financial Accounting for Senior High Schools and Tertiary Institutions in West Africa (3rd Edition), Accra: Terror Publications.
5. Wood, F (1993) Business Accounting, London: Pitman Publishing