



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : MBA 511
COURSE TITLE : Financial Accounting
SPECIAL REQUIREMENTS : NONE
DURATION : 3 Hours
LEVEL : 1.1
DATE : 25 NOV 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed.
3. Answer ALL questions
4. The number of marks for each question or part question is shown in brackets
[]
5. Begin each answer on a new page.
6. DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR INSTRUCTS YOU.

Question One

The following information relates to Bako for the month of December 2024

	\$	\$
Purchases	15 000	
Capital		33 610
Bank	9 000	
Sales		20 500
Carriage inwards	900	
Carriage outwards	1 200	
Returns inwards	550	
Returns outwards		840
Cash	400	
Opening Inventory	1 200	
Payables		8 400
Receivables	6 500	
Insurance	2 600	
Electricity	1 800	
Commission paid	600	
Discount allowed	900	
Discount received		1 700
Stationery	800	
Wages	5 600	
Buildings	10 000	
Vehicles	8 000	
	65 050	65 050

Additional information

- a) Closing inventory was valued at \$2 600
- b) Net loss was calculated as \$5 510

Required

- a) Prepare a Statement of Profit or loss and other comprehensive income for the year ended 31 December 2024.

(15 Marks)

- b) Prepare Statement of Financial Position as at 31 December 2024. (10 Marks)

[Total 25 Marks]

QUESTION TWO

The following transactions relate to Shoko for his printing company.

2017

August 1 Started in business with \$31 000 in the bank and \$4 000 in cash

2 Purchased goods \$1 160 from A Cliff.

3 Bought fixtures and fitting \$4 600 paying by cheque.

4 Sold goods on credit to D Square for \$82

5 Sold goods for cash \$600.

6 Bought goods \$1 300 from S Bell

7 Returned goods to D Numbers \$31

10 Paid rent by cash \$800

11 Bought goods on credit \$414 from D Exodus

12 Bought stationery \$180 paying in cash

13 Sold goods on credit to H Rise for \$218

18 Goods returned to A Cliff \$164

21 Received rent of \$480 by cheque

23 Sold goods to R coat for \$3 200

24 Bought a van paying by cheque \$16 400

30 Paid wages by cash \$1 220

31 The proprietor took cash for her own personal use \$1 020

Required

Enter the above transactions, completing the double entry in the books for the month of August 2024.

[Total 25 Marks]

QUESTION THREE

(a) For the business of J Shoko, classify the following between Capital and Revenue expenditure.

(i) Purchase of an extra van

- (ii) Cost of rebuilding warehouse wall which had fallen.
- (iii) Building extension to the warehouse
- (iv) Painting extension to warehouse when it is first built
- (v) Legal costs on collecting debts
- (vi) Cost of repairs of accounting machine
- (vii) Cost of erecting new machine
- (viii) Cost of installing reconditioned engine in delivery van
- (ix) Carriage costs on purchases
- (x) The costs of acquiring patent rights

(Total 10 Marks)

- (b) Discuss the significance of financial statements to potential investors (15 marks)

[Total 25 marks]

Question Four

You have extracted a trial balance and drawn up accounts for the year ended

31 December 2017. There was a shortage of \$78 on the credit side of the trial balance, a suspense account being opened for that amount.

During 2018 the following errors made in 2017 were found:

- (i) \$125 received from sales of old office equipment has been entered in the sales account.
- (ii) Purchases day book had been overcast by \$10.
- (iii) A private purchase of \$140 had been included in the business purchases.
- (iv) Bank charges \$22 entered in the cash book have not been posted to the bank charges account.
- (v) A sale of goods to K Lamb \$230 was correctly entered in the sales book but entered in the personal account as \$320.

Required:

- (a) Show the requisite journal entries to correct the errors. (10 marks)