ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS INTELLIGENCE, ENTREPRENEURSHIP, ARTEFACTUAL DESIGNS AND FUTURES

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE	:	MBA 511/MSTM 514
COURSE TITLE	:	Financial Accounting for managers/Strategic Financial Accounting
SPECIAL REQUIREMENTS	:	NONE
DURATION	:	3 Hours
LEVEL	:	1.1
DATE	:	08 JUN 2026

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 Trial balance of Mable limited as at 31 March 2022

	Debit	Credit
	$	$
Land & Building	85 920	
Ordinary share capital		85 000
Sales		75 000
Opening inventory	5 000	
Purchases	28 000	
Retained profit		23 700
Motor vehicle at cost	40 000	
Provision for depreciation on motor vehicle		8 000
Preference Dividend		1 920
Rent	1 500	
Light and Water	1 900	
10% Debentures		50 000
8% Preference shares		48 000
Advertisement cost	500	
Accounts receivables	20 000	
Bank	8 080	
Motor expenses	1 500	
Debenture interest	2 500	
Wages and Salaries	2 100	
Bad debts	200	
Provision for credit loses		1 000
Directors emoluments	21 580	

Auditing fees	5 000	
Accounts payables		5 000
Cash on hand	70 000	
	295 700	**295 700**

Notes: -

1. Inventory at 31 March 2022 was valued at cost at $ 9 000
2. Motor vehicles are depreciated using the reducing balance method at 20%
3. Rent prepaid $500 and wages & Salaries accrued $3 300.
4. Provision for credit loses to be 4 % of Receivables
5. Tax of $2 200 is to be provided.
6. The directors proposed the following: -

a. To transfer $2 000 to general reserve

b. To pay a dividend of 10% on ordinary shares.

Required

1) Statement of comprehensive income for the year ended 31 March 2022. **(10 marks)**

2) Statement of Financial Position as at 31 March 2022 **(10 marks)**

3) Statement of changes in equity for the year ended 31 March 2022

The accounts should be presented in accordance with IAS 1. **(5 marks)**

[Total 25 marks]

QUESTION TWO

The following transactions relate to Shoko for his printing company.

2017

August 1 Started in business with $31 000in 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

31The 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

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

31 December 2023. There was a shortage of $78 on the credit side of the trial balance, a suspense account being opened for that amount.

During 2024 the following errors made in 2023 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)**

(b) Write up the suspense account showing the correction of the errors. **(10 marks)**

(c) The net profit originally calculated for 2023 was $28,400. Show your calculation of the correct. **(5marks)** **[Total 25 Marks]**

Question Four

Evaluate the significance of a cash flow statement to a public limited company in an emerging economy. **[Total 25 marks]**

END OF EXAMINATION QUESTION PAPER

17/0AM