



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF ACCOUNTING AND FINANCE

EXAMINATION PAPER

COURSE CODE : CAC 208
COURSE TITLE : PRACTICAL ACCOUNTING & DATA PROCESSING
DURATION : 3 Hours
DATE : 30 May 2019

INSTRUCTIONS TO CANDIDATES:

1. This is a practical examination.
2. Answer all questions.
3. No cell phones are allowed in the examination room.
4. Use your registration number as the name of set of books.
5. Use Turbocash setup assistant to set up your company.

Task 1

Creating a company

Mr Tom, a businessman, opened a Hardware shop in Harare on 01 February 2015. He secured a debenture loan of \$100 000 from Sister private company for expansion on the 1st February 2017. The loan attracts an interest of 30% per annum. He went on to buy Mazda BT 50 for marketing department \$19 500, half tan truck cost \$ 8 000 which is going to be used for the delivery of products to different places around Harare. He also bought an HP laptop for \$560 from promotion of raffle draw at First Pack private company on which he won the third prize of a fridge and furniture which cost \$1 000 and \$5 500 respectively. The fridge he used for private home and the furniture was channelled into the business. Being aware of the latest developments in technology, he did not want to operate on a manual system. So he appointed you as his accountant on 15 February 2017 after you have proved yourself to him beyond reasonable doubt that you are experienced in using Turbo cash.

He presented to you the following information which you are going to use to set up the company.

Company information

Company name	Everything shop
Address	56 Cameron Street
Postal code	04
E-mail	info@everything.co.zw
Tel	04-432154
Fax	04-432153
Company Reg No	ZZ/02/17
Tax Reg No	34565
Bank	CBZ
Starting date of company	01 February 2017
VAT	Normal VAT registered

Company documents

<u>Document</u>	<u>Title</u>	<u>Document number</u>	<u>Document message</u>
Invoice	Tax invoice	IN01	Thank you, call again
Credit note	Credit note	CN01	We care for you
Purchases	GRN	GR01	Thank you for support
Orders	Purchase order	PO01	We inform you for any change
Quotation	Quotation	QT01	Valid for 30 days
Purchase returns	Purchase returns	PR01	We sympathise with you

Allowing reference to increase in each case;

- i. Use GJ01 as your first general journal reference number
- ii. Use IJ01 as your first reference number for inventory journal
- iii. Use SJ01 as your first reference number for sales journal
- iv. Use PJ01 as your first reference number for purchases journal
- v. Use CR01 as your first reference number for cash received journal
- vi. Use CP01 as your first reference number for cash payment journal
- vii. Use RJ01 as your first reference number for receipts journal
- viii. Use PJ 01 as your first reference number for payment journal

Required:

Create relevant accounts which enable you to take on opening balances.

[Total: 14 Marks]

Task 2

Customer master file

All customers will be processed using open item and tax inclusive. Use the given addresses as the delivery address.

Details	Customer 1	Customer 2
Code	WW01	PB01
Name	Wasara Wasara shop	Price Buster shop
Address	66 R. Mugabe r/d Bindura	5 Nelson Mandela Harare
Telephone	071- 456780	04-45367
Fax	071-456781	04-45368
e-mail	pet@wasarawasara.co.zw	info@pricebuster.co.zw
VAT Number	19990	3467
Contact Person	Veronica	Nyasha
Credit Limit	\$5 000	\$8 500
Terms	30 Days	30 Days

Required:

Create customer master file.

[Total: 4 Marks]

Task 3**Supplier master file**

All suppliers are processed using open item and tax exclusive method. Use the given address as the delivery address.

Details	Supplier 1	Supplier 2
Code	MM001	VD002
Name	Mahammad Mussa	Vanadella Distributors
Address	01 Manyika Harare	23 Kaguvi St Harare
Telephone	04-45657	04-75688
Fax	04-45658	04-75689
e-mail	info@yahoo.co.uk	sam@vanadella.co.zw
VAT Number	1886	1678
Contact Person	Tatenda	Sam
Credit Limit	\$25 000	\$31 000
Terms	30 Days	30 days

Required:

Create supplier master file.

[Total: 4 Marks]

Task 4**Inventory master file**

All prices are tax inclusive

Details	Inventory1	Inventory2	Inventory3	Inventory4	Inventory5	Inventory6
Code	LP001	GT101	ST01	BT002	CD003	BY02
Item	Laptop	Generator	Stove	Blanket	Cord	Bicycle
Unit	Each	Each	Each	Each	Metre	Each
SP	\$563	\$210	\$269	\$56	\$19	\$69
Cost price	\$450	\$168	\$215	\$45	\$15	\$55
Preferred supplier	VD002	VD002	MM001	MM001	VD002	MM001
Re-order	10	8	12	65	50	20

Required:

Create inventory master file.

[Total: 5 Marks]

Task 5

Take on balances

1. Trial balance for Everything shop as at 31 January 2017

(8 Marks)

	Dr (\$)	Cr (\$)
Retained income/ accumulated loss		96 455
Capital		15 000
Motor vehicle @ cost	66 000	
Motor vehicle accumulated depreciation		12 000
Property, plant and equipment	76 000	
Property, plant and equipment accum depreciation		18 000
Stock control	18 405	
Receivables control account	21 000	
Payables control account		41 000
CBZ current account	1 000	
Petty Cash	50	
	182 455	182 455

2. Receivables age analysis for Everything Shop as at 31 January 2017

Debtor	Acc no	Total	Current	30 days	+60 days
Wasara wasara	WW01	11 000	6 000	3 000	2 000
Price buster	PB01	10 000	5 000	4 000	1 000
Total		21 000	11 000	7 000	3 000

(5 Marks)

3. Payables age analysis as at 31 January 2017

Creditor	Acc no	Total	Current	30 days	+60 days
Mahammad	MM01	29 000	19 000	7 000	3 000
Vanadella	VD01	12 000	5 000	4 000	3 000
Total		41 000	24 000	11 000	6 000

(5 Marks)

4. Inventory valuation as at 31 January 2017 is as follows;

Inventory item	Inventory code	Quantity@ hand	Unit Price	Inventory value
Laptop	LP001	19	450	8 550
Generator	GT101	10	168	1 680
Stove	ST01	15	215	3 225
Blanket	BT002	66	45	2 970
Cord	CD003	55	15	825
Bicycle	BY02	21	55	1 155
Total				18 405

(5 Marks)

Required:

Take on the opening balances for the year 2017 using the above given information.

[Total: 23 Marks]

Task 6

Input/ processing

Required:

Process the following narrations;

a. At this point the company has been set up with all relevant accounts are in place, you can now start operating from the 1st of February 2017. The following information was presented to you by the shop owner that would help you to prepare the financial statements for the month of February 2017.

1. Upon your appointment as an accountant, you are told that the company policy is to charge depreciation on all non-current assets 10% on a straight line bases. It is also the company policy to charge a mark up of 25% on all goods sold. (3 marks)

2. On the 7th of February 2017 Everything shop traded in Toyota Gaia with Mazda B15 twin cab valued to \$21 000. The difference was made by a bank transfer. The twin cab was to be used by marketing manager for the good work he performed last year 2011.

(5 marks)

3. On the 1st of February 2017 the Shop owner brought his Mercedes benz into the business valued at \$15 000 with the intention of it being used in the business by the accountant.

(2 marks)

b. Supplier's Documents

Required:

Prepare supplier documents and update the batches given the following information:

1. On the 4th of February 2017 Everything placed orders for the following goods

Item	LP001	GT101	ST01	BT002	CD003	BY02
Quantity	15	10	15	18	25	20

(3 marks)

2. The ordered goods were delivered in the following quantities on 5th February 2017.

Item	LP001	GT101	ST01	BT002	CD003	BY02
Quantity	10	8	15	18	25	18

(3 marks)

The shop owner told you that on the 5th of February 2017 upon delivery of the goods, she discovered that 3 of the ST01 and 9 of the BY02 had some faults. All faulty items were returned on the 6th of February 2017 and were delivered with right goods on the 7th of February 2017.

(4 marks)

c. Customer's Documents

Required:

To process customer's documents and update batches.

1. The following customers requested the following quotations on the 9th February 2017

Customer	Items requested					
	LP001	GT101	ST01	BT002	CD003	BY02
WW01	5	-	7	8	5	13
PB01	-	4	4	-	10	5

(4 marks)

2. All of the above customers accepted the quotations and the goods were delivered to them on the 10th February 2017. (4 marks)
3. Some of the items sold to WW01 on 22 February 2017 were 6 GT101 and 7 BY02 on a 10% discount allowed. (3 marks)

[Total: 31 Marks]

Task 7

Receipts and payments

1. On 20 February 2017, PB001 settled ½ of his account by bank transfer so that he could apply for an increase in his credit limit. On the same day WW01 paid \$11 000 and the money was banked intact. (3 marks)
2. The following payments to suppliers were made during the month

Date	Supplier	Cheque number	Amt (\$)
23 February 2017	MM01	026	5 000
24 February 2017	VD01	027	7 000
28 February 2017	MM01	030	4 500
29 February 2017	ZIMRA	032	1 200

(4 mark)

3. The shop owner made the following payments during the month.

Date	Description	Cheq number	Amt (\$)
02 February 2017	Water & rates	023	800
05 February 2017	Electricity accrual	024	900
15 February 2017	Loan repayment	025	5 000
25 February	Rentals	029	2500

(2 marks)

4. The company paid salaries to its employees on 24 February 2017 amounting to \$4 678 by electronic transfer. (1 mark)
5. Bank charges from CBZ for the month amounted to \$ 200 (1 mark)
6. You are told that the bank paid \$540 telephone bill to Telone on behalf of Everything shop. (1 mark)

[Total: 12 Marks]

Task 8

Bank reconciliation

Considering all the tasks above you are required to produce a bank reconciliation report for the month of February 2017.

[Total: 7 Marks]

END OF PAPER