



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
1STYEAR 1STSEMESTER 2015/2016 ACADEMIC YEAR
KISII CAMPUS-PART TIME

COURSE CODE: ABA103

COURSE TITLE: INTRODUCTION TO ACCOUNTING 1

EXAM VENUE: **STREAM: (BBA)**

DATE: **EXAM SESSION:**

TIME: 2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

QUESTION ONE

a) Give a broad meaning of the following terms as used in accounting.

i Accounting

ii Accounting equation

iii Accounting policies

iv Assets

v Liabilities

vi Capital

12marks

b) Bela enterprises has a business that has been trading for some time. You are given the following information as at 31.12.2015

	kshs.
Buildings	11,000
Furniture & Fittings	5,500
Motor Vehicles	5,800
Stocks	8,500
Debtor	5,600
Cash a bank	1,500
Cash in hand	400
Creditors	2,500
Capital	30,800
Loan	5,000

You are required to prepare a Balance Sheet as at 31 December 2015 10 marks

(c) Discuss four functions of ICPAK as outlined by the Act.

8marks

QUESTION TWO

(a) Accounting information is produced in form of financial statement which reflects how the business has performed, whether it has made profits or losses and it determines whether the resources have increased or reduced. Required state and explain the various users of accounting information (20 marks)

QUESTION THREE

i) Dancan Moody has the following assets and liabilities as on 31 April 2014:

	£
Creditors	15,800
Equipment	46,000
Motor Vehicle	25,160
Stock	24,600
Debtors	23,080
Cash at bank	29,120
Cash in hand	160

During the first week of May 2014 Moody:

- Bought extra equipment on credit for £5,520.
- Bought extra stock by cheque £2,280.
- Paid creditors by cheque £3,160.
- Debtors paid £3,360 by cheque and £240 by cash.
- Moody put in extra £1,000 cash as capital.

Required:

- Determine the capital as at 1st May 2014. 7 marks
- Draw up a balance sheet after the above transactions have been completed 9marks

ii) Identify and explain on two principles of accounting. 4marks

QUESTION FOUR

Write up the following transactions in the relevant ledger accounts from the books of S Pink in the month of march 2013. Then extract a trial balance. 20 marks

March	1	Started business with cash £1,000.
“	2	Bought goods on credit from A Clinks £296.
“	3	Paid rent by cash £28.
“	4	Paid £1,000 of the cash of the firm into a bank account.
“	5	Sold goods on credit to J Simpson £54.
“	7	Bought stationery £15 paying by cheque.
“	11	Cash sales £49.
“	14	Goods returned by us to A Clinks £17.
“	17	Sold goods on credit to P Lutz £29.
“	20	Paid for repairs to the building by cash £18.
“	22	J Simpson returned goods to us £14.
“	27	Paid AClinks by cheque £279.
“	28	Cash purchases £125.
“	29	Bought a motor vehicle paying by cheque £395.
“	30	Paid motor expenses in cash £15.
“	31	Bought fixtures £120 on credit from R west.

QUESTION FIVE

a) Explain the nature of accounting and the accounting equation (8 marks)

b) Calculate the profit for the year ended 31 December 2001 from the following information

(12 marks)

Non Current Assets	01.01.2001	31.12.2001
	£	£
Property	20,000.00	20,000.00

Machinery	<u>6,000.00</u>	<u>9,000.00</u>
	<u>26,000.00</u>	<u>29,000.00</u>
Current Assets:		
Debtors		8,000.00
	4,000.00	
Cash	<u>1,000.00</u>	<u>1,500.00</u>
	<u>5,000.00</u>	<u>9,500.00</u>
Current Liabilities:		
Creditors	5,000.00	3,000.00
Overdraft	6,000.00	9,000.00
	<u>11,000.00</u>	<u>12,000.00</u>
Net Current Liabilities	<u>(6,000.00)</u>	<u>(2,500.00)</u>
Net Assets	<u>20,000.00</u>	<u>26,500.00</u>

Drawings during the year amounted to £4,500.00

Additional capital introduced by the owner £5,000.00

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ABA 103 INTRODUCTION TO ACCOUNTING I

SEPT-DEC 2016

CONTACT HOURS 45

LECTURE HOURS 45

CREDIT HOURS 3

DEGREE BBM

INSTRUCTOR: ANASTANCIA ONSASE- 0720-991283

COURSE OUTLINE

WEEK 1\$2

INTRODUCTION

- International Accounting Standards and International Financial Reporting Standards
- Reasons why Accountants should observe International Accounting Standards
- How IAS`s and IFRS are by products of (IASB) and its objectives.

WEEK 3\$4

ACCOUNTING THEORIES

- Going concern concept
- Accruals concept
- Prudence concept
- Consistency concept
- Money measurement
- Objectivity concept
- Historical cost concept
- Separate valuation principle
- Realization concept
- Duality Concept
- Substance over form concept

WEEK 5,6,7 \$,8

Accounting cycle

Accounting equation

Balance sheet

Ledger book

Trial balance

Cash book

Source documents

Journals

WEEK 9\$10,

Banks and cashbook reconciliation

- (i) Items that appear on the cash book but not on the bank statement.
- (ii) Items that appear on the bank statement but not on the cashbook
- (iii) Errors when entering amounts in the cash book
- (iv) Errors by the bank while posting

Teaching Methodologies:

-A combination of lecturing

-Demonstrations

-Group discussions

Instructional Materials:

-Chalkboard

-Handouts

Course Assessment:

CATs and other internal assessment	30%
End of semester Examination	70%
Total	100%

Core Text Books:

1. Glenn A. Welsch and Charles T. Zlatkovich Intermediate Accounting 8th Edition
2. A.R. Jennings Financial Accounting

3. Advanced Financial Accounting Simplified by N.A. Saleemi Volume II
4. Advanced Accountancy by R. P. JAN & K Garang
5. Business Accounting 8th edition Frankwood, Pitman publishing
6. Financial Accounting – The Impact on Decision Makers - Gary A. Porters (University of Montana) Curtis L. Norton, Northern Illinois University , 1995