



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY
JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_1 EXAMINATION

COURSE CODE: ACC407

CREDIT UNIT: 3

COURSE TITLE: ACCOUNTING AND AUDITING FO COOPERATIVES

TIME ALLOWED: 2^{1/2} HOURS

- NOTE:**
1. To attempt question number one (1) and any other three
 2. Question number 1 is compulsory and carries 25 marks, while the other questions carry 15 marks each
 3. Present all your points in coherent and orderly manner

QUESTION ONE (COMPULSORY)

The list of balances of GREAT Co-operative Society of BENIN CITY transactions for the year ended 31st December, 2016 include the following:

	₦
Entrance Fees I	7,735,000
Fine Received from members	1,850,000
Interest on Bank Deposit	1,025,000
Postage and Stationery	2,500,000
Bank Chares	600,000
Entertainment Expenses	1,400,000
Wages & Salaries of Staff	7,500,000
Transportation Costs	2,000,000
Rent Received	800,000
Interest on Loan to Member	2,750,000
Members Contribution Received	11,575,000
Fine paid to BENIN CITY State Govt	1,050,000
Office Maintenance	650,000
Cost of Seminar Organized	8,750,000
General Expenses	50,000
Furniture and Fittings	42,500,000
Rent and Rates	750,000
Investment	5,000,000
Investment Income	1,000,000

Long-Term loan from bank	29,000,000
Deposit from members	100,000,000
Stabilization Fund	375,000
Reserves	250,000
Bank	32,500,000
Bank Deposit	3,000,000
Motor Vehicle	50,000,000

Additional information:

- The following were accrued at year end

Wages and Salaries	1,250,000
General Expenses	500,000
Rent Received	600,000
Investment Income	250,000

- The following were prepaid at year end

General Expenses	25,000
Office Maintenance	150,000
Contribution from members	75,000

- Audit Expenses of ₦ 200,000 Outstanding as at 3 December 2016. Assets are to be depreciated at the following rates:

Furniture and Fittings	5%
Motor Vehicles	7.5%

You are required to prepare:

- Income & Expenditure Account for the year ended 31st December, 2016.
- Statement of Financial Position as at that date **(25 Marks)**

QUESTION TWO

AGHO incorporated LASCO Limited on 1/6/16. He brought in cash of #14,000,000 into the business on 4/6/16. He offered the business building that valued #21,000,000. The amount on the building was to be taken as an additional capital. The business banked ₦12,250,000 on 5/6/16 and on 8/6/16, the Business furniture worth 350,000 from BAYO OJO and on 10/6/16, #280,000 cash was paid to BAYO OJO

Required: Journalize the above transactions (15 Marks)

QUESTION THREE

ON 31ST DECEMBER 2015, YOU ARE GIVEN THE FOLLOWING REGARDING GENEROUS COOPERATIVE SOCIETY.

	#
Accumulated Fund at 1st January 2015	1,766,400
Cash in Hand	24,000
Cash at Bank	441,606
Equipment	1,632,000
Postages & Stationery	57,600
Sale of Tickets	1,550,400
Hire of equipment	158,400
Members Contributions	475,200
Members Contributions	19,200
Donations Received	72,000
Royalties Paid	100,800
Rent of Hall	1,468,800

Provisions are expected to be made for the following items, which have not passed through the books of the Cooperative.

1. Outstanding contributions for 2015 amount to #28,800
2. 10% depreciation should be provided on Equipment.
3. Rent paid in Advance amounted to #19,200

You are required to prepare:

- A) Income & Expenditure Account for the year ended 31st December, 2015.
- B) Statement of Financial Position as at 31 December, 2015. (15 Marks)

QUESTION FOUR

- (A) Accounting is neither an art nor a science. Discuss **(5 Marks)**
- (B) Accounting Concepts are principles in accounting, modified by conventions, which have been adopted as a general guide to practice. These basic rules and procedures guiding the accounting profession are also known as Generally Accepted Accounting Principles (GAAP). Identify and discuss five accounting concepts known to you. **(10 Marks)**

QUESTION FIVE

- (A) Outline four (3) each of the various sample reports in cooperative accounting classified under the following:
 - (1) Operational reports **(3 Marks)**
 - (2) General Ledger Reports **(3 Marks)**
 - (3) Subsidiary Ledger Reports **(3 Marks)**
- (B) When a cooperative auditor is able to satisfactorily conclude that the financial statements and other cognate statements of the cooperative are free from material misstatements whether due to error or fraud, he expresses an unmodified opinion, otherwise, he will issue a modified audit report. Briefly discuss the three types of modified audit report.

(6 Marks)

(Total Marks = 9 + 6= 15 Marks)