



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**UNIVERSITY VILLAGE, JABI- ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**

**2023\_1 POP EXAMINATION.**

**Course Code: ACC757**

**Credit Unit: 2**

**Course Title: Principles of Accounting**

**Time Allowed: 2 Hours**

**Instructions:**

1. Attempt question number one (1) and any other two (2).
2. Question number 1 is compulsory and carries 30 marks while the other 2 carry 20 marks each.
3. Present all your points in coherent and orderly manner.

**QUESTION 1(a)**

OKPE Company Ltd produces sachet water. The company's trial balance at 31/12/2019 is as follows:

	N	N
Delivery Van Expenses	5,000	
Lighting: Factory	5,718	
Office	2,220	
Manufacturing Wages	90,940	
General Expenses: Office	7,632	
Factory	11,280	
Salesmen: Commission	15,720	
Purchase of Raw Materials	78,108	
Rent: Factory	9,600	
Office	4,400	
Machinery (cost N 50,000)	65,000	
Office Equipment (cost N15,000)	22,000	
Office Salaries	12,570	
Debtors	56,740	
Creditors		38,900
Bank	26,674	
Sales		273,000
Premises at Cost	80,000	
Stock at 31/12/2018:		
Raw Materials	17,130	
Finished Goods	58,960	
Drawings	17,120	
Capital	<u>586,812</u>	<u>274,912</u>
	<u>586,812</u>	<u>586,812</u>

Give effect to the following adjustment:

- (a) Stocks at 31/12/2019, Raw Materials N18,100, Finished Goods N62,400. There is no Work in Progress.
- (b) Depreciation: Machinery N4,000; Office Equipment N3,000.
- (c) Manufacturing Wages due but unpaid at 31/12/2019 N610, Office Rent Prepaid N216.

**Required; Prepare:**

The Manufacturing, trading, profit and loss account of OKPE Company Ltd for the period 31<sup>st</sup> December, 2019 and Balance Sheet as at that date. **20 Marks**

**QUESTION 1(b)**

Write short note on the following Manufacturing Accounts Terminologies:

- i) Direct Raw Material Cost
- ii) Carriage Inwards
- iii) Closing Stock of Raw Materials
- iv) Direct Wages
- v) Factory Direct Overhead/Expenses **10marks**

**QUESTION 2**

- a) Define joint venture business.
- b) What are the differences between Joint Venture and Partnership Business? **20 Marks**

**QUESTION 3**

- a) Define Bill of Exchange and Promissory Note.
- b) How does promissory note differ from a Bill of exchange? **20 Marks**

**QUESTION 4**

What are the rights of a partner in the absence of a written agreement and his duties according to 28 and 30 of 1890 Act? **20 Marks**