



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi, Abuja
FACULTY OF MANAGEMENT SCIENCES
2024_2 EXAMINATION

COURSE CODE: ACC 407 **CREDIT UNIT: 2**
COURSE TITLE: ACCOUNTING AND AUDITING FOR COOPERATIVE
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 questions carry 20 marks each. Present all your points in a coherent and orderly manner.
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QUESTION ONE

(a) Accounting information has several characteristics/qualities. Discuss 7 of these characteristics/qualities **7marks**

(a) The following information were extracted from the books of Madam Dowell Enterprises as at 31/12/2019

	N
Motor Vehicle	50,000
Plant and Machinery	400,000
Land and Building	200,000
Fixtures and fittings	50,000
Inventory	150,000
Expenses due not paid	5,000
15% Deposit in UBA	100,000
Loan to workers	12,000
Loan from workers	6,000
Amount Receivable	25,000
Amount Payable	43,000
Income due not yet received	5,000
Income received not yet due	2,000
Expenses paid not due	3,000
Goodwill	13,000
Bank overdraft	150,000
Balance in savings account of the business	4,200
Franchise	12,500
Shares in Mama put Ltd	50,000
18% Loan from Zenith	700,000
Cash at bank	27,000
Cash in hand	8,550
Patent Rights	15,200

From the above information, calculate the value of:

- {i} Assets **10marks**
- {ii} Liabilities **3½ marks**
- {iii} Capital of the Business. **1½ marks**

- (c) There are circumstances/situations associated with incomplete records that accountants must trace to put the records straight. Explain these situations **8marks**
(Total 30marks)

QUESTION TWO

- (a) Elucidate on the following:
- i Internal audit
 - ii Forensic audit
 - iii Compliance audit
 - iv Value for money audit
 - v Information system audit **6marks**
- (b) List the Causes of differences between cashbook and bank balances **9marks**
- (c) There are procedures for reconciling bank statement with cast book. State these procedures **5marks (Total 20marks)**

QUESTION THREE

- (a) State six (6) responsibilities /duties of cooperative auditor **6marks**
- (b) Explain the two types of fraud **4marks**
- (c) Some errors affect a trial balance. Identify and appreciate these errors **10marks**
(Total 20marks)

QUESTION FOUR

- (a) Extracts from the books of Omodeke Ltd. show the following balances for the month of June 2018

	N
Sales ledger balances – 1 June 2018	4,702
Purchases ledger balances – 1 June 2018	2,757
Sales journal balances – 30 June 2018	37,437
Purchases journal balances – 30 June 2018	40,800
Returns Inwards	910
Returns Outwards	749
Receipts from Customers – Cash	38,529
Discount allowed	1,345
Payment to Customers	35,415
Discount received	746
Bad debt written off	115
Sales ledger set off	209
Purchases ledger set off	110

On 30th June 2018, it was discovered that a supplier was paid twice in error for N157. The amount was refunded on that date. You are required to determine the sales and purchases ledger balances at 1st July 2018 **10marks**

(b) The general journal is the sixth book of original entries that records all other transactions in an organization not covered by the other five books. Carefully list the uses of general journals in the organization **6marks**

(c) Define petty cash book **4marks (Total 20marks)**