



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja**  
**FACULTY OF MANAGEMENT SCIENCES**  
**DEPARTMENT OF FINANCIAL STUDIES**  
**2025\_2 EXAMINATIONS**

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**COURSE CODE: ACC419** **CREDIT UNIT: 3 Units**  
**COURSE TITLE: ADVANCED FINANCIAL ACCOUNTING**  
**TIME ALLOWED: 2 1/2 HOURS**

**Instructions:**

- 1. Attempt question number one (1) and any other three (3).**
- 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your work/point in coherent and orderly manner.**

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**QUESTIONS**

**QUESTION 1 (a)**

P Co has owned 75% of the share capital of S Co since the date of S Co's incorporation. Their latest statement of financial position are given below.

**P CO STATEMENT OF FINANCIAL POSITION**

	N	N
<i>Assets</i>		
<i>Non-current assets</i>		
Property, plant and equipment	50,000	
30,000 N1 ordinary shares in S Co at cost	<u>30,000</u>	
		80,000
<i>Current assets</i>		<u>45,000</u>
<i>Total assets</i>		<u>125,000</u>
<i>Equity and liabilities</i>		
<i>Equity</i>		
80,000 N1 ordinary shares	80,000	
Retained earnings	<u>25,000</u>	
		105,000
<i>Current liabilities</i>		<u>20,000</u>

*Total equity and liabilities* 125,000

**S CO STATEMENT OF FINANCIAL POSITION**

	N	N
<i>Assets</i>		
Property, plant and equipment		35,000
Current assets		<u>35,000</u>
<i>Total assets</i>		<u>70,000</u>
	N	N
<i>Equity and liabilities</i>		
<i>Equity</i>		
40,000 N1 ordinary shares	40,000	20000
Retained earnings	<u>10,000</u>	
	50,000	<u>50,000</u>
Current liabilities		<u>70,000</u>
<i>Total equity and liabilities</i>		

***Required:***

Prepare the consolidated statement of financial position. **13marks**

**QUESTION 1 (b)**

Define the following terms:

- a) Pre and post-acquisition profits
- b) Pre-acquisition reserves
- c) Post-acquisition reserves
- d) Non Controlling Interest
- e) Goodwill

**12marks**

**QUESTION 2**

List elements of financial statement and explain them. **15marks**

**QUESTION 3**

A) Before the adoption of International Reporting Standard (IRS) in Nigeria, the standards that guided the preparation of accounts were Statement of Accounting Standards (SAS) issued by the

then Nigeria Accounting Standard Board. What are the complete set of financial statements as prescribed by SAS? **(7 marks)**

B) In order for the financial statement to be useful to the stakeholders of a business, they must embody certain qualitative characteristics. Explain them. **(8marks)**

#### **QUESTION 4**

Changes in Net Assets /Equity are normally caused by what factors? **(15marks)**

#### **QUESTION 5**

Explain the concepts under Group Accounts **(15marks)**