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**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**

**SCHOOL OF MANAGEMENT SCIENCES**

JUNE 2013 EXAMINATION

Course Code: HCM 334 Credit Unit: 2

Course Title: FINANCIAL ACCOUNTING

Time Allowed: 3Hrs

Instruction: Attempt any three questions of your choice. Question one is compulsory.

 Each question carries equalmarks except question one. Present your answer

legibly and logically using relevant examples.

1. (a) Differentiate between Financial Accounting and Management Accounting using

five bases of comparisons. (10 marks)

(b) State five users of Accounting information and their information needs. (10 marks)

(c) Enumerate and discuss any five accounting concepts you know. (10 marks)

1. (a) iWhat is accounting conventions? (4 marks)

iiCritically review any three conventions of accounting. (6 marks)

(b) iDiscuss the four main features of Accounting as a discipline. (4 marks)

ii List and explain six uses of a general ledger. (6 marks)

1. (a) iDefine ledger and explain its classifications. (10 marks)

IiA. Akin had the following balances for the first week of February 2011:

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Feb. 1. Balance of cash in hand 8,400

Feb. 1. Purchased goods for cash 5,600

Feb. 1. Received from L. Na’Allah and Sons in full settlement of

account after allowing for a discount of N300.6,500

Feb. 1. Paid Musa Bebeto after receiving a discount of N200 9,400

Feb. 2. Cash Sales 13,500

Feb. 3. Paid electricity bill for January 900

Feb. 3. Paid Buba Stores (Received discount of N400) 7,700

Feb. 4. Received cash from T.Tata stationeries in full settlement

of account less N100 cash discount 5,200

Feb. 5. Received from Abdussalam printers 3,200

Feb. 6. Paid Kyauta on account 2,400

Feb. 7. Purchased goods for cash (Trade discount of N500 was allowed) 7,800

Feb. 7. Sold for cash goods, N8, 200 (allowed customer a trade Discount

ofN400) 8,200

Enter the above transactions in a two-column cashbook. (10marks)

1. (a) The following items are to be entered in a petty cash book.

 Columns are to be headed up for Traveling expenses, Postages, Motor

expenses, Stationery and Sundry expenses. The book is to be maintained on

theimprest system, reimbursement takes place on the last day of each

month. The opening petty cash float is N5,000 received on 1st January,2013.

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 Jan.1. Motor spare parts 2,200

 Jan.3. Post office stamps 150

 Jan.6. Bus fare 190

 Jan.8. A.A Rano - Petrol 1,000

 Jan.9. E.P& Co.-Stationery 80

 Jan.10. Bus fares 50

 Jan.11. Post office: Stamps 210

 Jan.13. Sundry expenses 40

 Jan.15. Scrubbing brushes 20

 Jan.16. E.Mahmud-Stationery 180

 Jan.20. Bus fare 130

 Jan.28. Sundry expense 50

 Jan.30. Dankano Oil-Petrol 600

Jan.31. Received reimbursement to bring cash float to desired level

 (10 marks)

(b) Discuss three errors that do affect the agreement of trial balance. (6 marks)

 (c) Differentiate between open and closed cheques. (4 marks)

1. (a) Write short notes on the following
2. Current Account
3. Savings Account
4. Fixed Deposit Account (20 marks)