



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_2 EXAMINATIONS

COURSE CODE: ACC407 **CREDIT UNIT: 3**

COURSE TITLE: Accounting and Auditing for cooperatives

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 points in coherent and orderly manner.**
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Q1.

- a) Explain what you understand by Control Accounts and its uses.
- b) On 1st January, 2019 Ojonugwa Company Limited had the following balances in its books:

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Sundry Debtors	19,316
Sundry Creditors	14,840
Sales Ledger Credit Balances	1,450
Purchases Ledger Debit Balances	1,166

During the year ended 31st December 2019 the following transactions took place:

	N
Discount allowed	1,340
Credit Sales	25,186
Cash received from Debtors	37,896
Discount received	3,270
Purchases returned	1,744
Credit Purchases	32,592
Bills Payable accepted	9,000
Sales return	1,874
Cash paid to creditors	19,700
Bad Debts written off	1,236

Bills receivable accepted	10,400
Sales and purchases ledger transfer	928

The sales ledger credit balances and purchases ledger debit balances on 31st December, 2019 were N2,580 and N1,848 respectively.

You are required to prepare:

- a) Sales Ledger Control Account, and
- b) Purchases Ledger Control Account for the year ended 31st December, 2019.

25 marks

Q2.

Unekwujo Company Limited had a debit balance of N1,728 in its bank accounts 31st March 2018. On the same day it received a Bank Statement from its bankers indicating it had only a balance of N246.

When the cash book and the bank statement were compared, the following were discovered:

- i) Cheques received from Ekpa and Idoko for N150 and N62 respectively had been entered in the cash but not yet credited by the bank.
- ii) Interest of N37 paid by the bank has not yet been entered in the cash book book.
- iii) Mail transfer of N475 to Ocheba High School, Igah-Ocheba has not been recorded in the cash book. Charges for the transfer were N18.
- iv) Sales of N286 made on 30th March were deposited in the bank but have not yet been credited by the Bank.
- v) A standing order transfer of N100 from the business account to a supplier's account at the end of every month had been effected by the bank but had not been recorded in the cash book.
- vi) A cheque of N74 paid into the business account by Keren a debtor, had not been recorded in the cash book.
- vii) A received from Ojodomo for N83 was paid into the bank account but the bank credited N38 in error.
- viii) A cheque book was issued to the business and its account was debited by N5 but this had been recorded in the cash book.
- ix) Cheques of N200 and N252 were received from Ugwa and Arome respectively but these had not yet been taken to the bank.

You are required to prepare:

- a) Unekwujo adjusted cash book for the month of March 2018.
- b) A Bank reconciliation statement as at that date.

(Hint: Start Bank reconciliation statement with Bank Statement)

15 marks

Q3.

Book-keeping is different from Accounting – Discuss. Explain the goals of Book-Keeping.

15 marks

Q4.

Explain errors that do not affect and errors that affect the agreement of trial balance.

15 marks

Q5.

Discuss the objectives and necessity for Cooperative Audit.

15 marks

Q6.

Discuss the qualities required of a Cooperative Auditor.

15 marks