



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2019_2 EXAMINATION

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.
3. Present all your points in coherent and orderly manner.

Q1. Below is the Receipts and Payments account of Abuja Club for the year ended 31st December, 2018.

Receipts	(N)	Payments	(N)
Balance b/f	4,480	Electricity	1,560
Subscriptions	32,900	Extension of Club building	36,000
Sales of Journals	7,600	Salaries and wages	3,200
Annual get together	5,100	Purchases of tables and chairs	7,000
Rent of tables and chairs	13,680	Rents and rates	1,100
		Printing of Journals	5,300
		Wages of messengers	1,200
		Office stationeries	7,000
		Insurance	960
		Annual get together expenses	2,720
		Balance c/d	4,020
	<u>63,760</u>		<u>63,760</u>

Further Information:

Particulars	1/1/2018 (N)	31/12/2018 (N)
Land and building	128,000	-
Furniture and Fittings (Cost N27,000)	19,000	-
Rent and rate owing	240	350
Stock of office stationery	100	160
Subscriptions in arrears	1,800	2,400
Subscriptions in advance	800	1,200
Insurance prepaid	200	-

Depreciation of furniture and fittings at 10% per annum on cost.

Requirements: Prepare:

- a) Statement of Affairs on 1st January 2018. **(5 marks)**
- b) Income and Expenditure account for the year ended 31/12/2018. **(15 marks)**
- c) Balance Sheet as at 31/12/2018. **(5 marks)**

Q2. Abutu, the Financial Secretary of Etutekpe Cooperative Society, keeps his books so that a Sales Ledger Control Account and a Purchases Ledger Control Account are shown in his general ledger and balanced at the end of the month.

At December, 2018

Dr. Balances in the sales ledger N27,000

Dr. Balances in the purchases ledger N830

Cr. Balances in the sales ledger N600

Cr. Balances in the purchases ledger N24,000

For the month of December, 2018

Total credit purchases N35,000

Total credit sales N40,000

Sales returns and allowances N720

Purchase returns and allowances N400

Cash received from trade debtors N15,000

Cheques received from trade debtors N30,000

Discounts received from creditors N240

Payments made to trade creditors N32,800

Discounts allowed to trade debtors N720

Bad debts written-off N100

Provision for doubtful debts N400

Bills of exchange accepted by trade Receivables of Etutekpe co. N8,600

Sales ledger credit balances transferred to purchases ledger N160

Cash purchases N6,000

Dishonoured bills payable N260

Dishonoured bills receivable N300

Cr. balances in the sales ledger N390

Dr. balances in the purchases ledger N360

Requirements:

From above details, show how Sales ledger and Purchases ledger control accounts will appear in the general ledger for the month of December, 2018. **(15 marks)**

Q3. Explain the following terms as used in accounting:

- a) Non-Current asset
- b) Capital receipts
- c) Incomplete accounting records
- d) Account receivables
- e) Capital expenditure

(15marks)

Q4. Elucidate 8 types of co-operative audit known to you. (15 marks)

Q5. Discuss the duties of a Co-operative Auditor relating to fraud and error. (15 marks)

Q6. Explain any five (5) responsibilities of a Director of Co-operatives (15 marks)