

ENVILLE INSTITUTE OF MANAGEMENT AND TECHNOLOGY
2019/2020 FIRST SEMESTER EXAMINATION QUESTIONS
BAM 121: PRINCIPLES OF ACCOUNTS I
CLASS: ND 1 TIME: THREE HOURS

1. Explain a bank reconciliation statement (3marks)
- b. What is a banks statement (3 marks)
- C. what is a cash book (3 marks)
- e. List four purpose of a bank statement (4 marks)
- f. Explain purchases day book (3 marks)
- g. What is a sales day book (3 marks)
- h. List out six subsidiary books (6 marks)

2a. The following transactions appeared in the bank column of Edo enterprises cash book for the month of December 2003. (20 marks)

Dr Cash Book (Bank Column) Cr

N	N
Dec 1. Balance b/f 301.08	Dec 3. Ayisat 50.00
Dec 5. Biola 48.96	Dec.10 Funbi 36.50
Dec 9 Cash 109.09	Dec. 15 Azuko 46.78
Dec 11. Sherifat 81.27	Dec. 25 Kingsley 39.25
Dec 17. Cash 240.00	Dec. 26 Lotto Ltd 110.00
Dec 25. Kareem 150. 23	Dec. 27 Okonkwo 30.94
Dec 31 Cash 194.00	Dec. 28 Iyande 54.35
	Dec Balance c/d 756.81
1,124.63	1,124.63

Bank Statement

Date	Particular	Dr	Cr	Balance
		N	N	
Dec 1.	Balance			301.08
Dec 3	Ayisat	50.00		251.08
Dec 5	Biola		48.98	300.04
Dec 7	Standing order	10.00		290.04
Dec 9	Cash		109.09	399.13

Dec 11	Serifat		81.27	480.40
Dec 18	Cash		240.00	720.40
Dec 19	Funbi	36.50		683.90
Dec 14	Azuko	46.78		683.90
Dec 25	Kareem		150.23	787.35
Dec 30	Lotto Ltd	110.00		677.35

You are required:

- i. prepare an adjusted cashbook
 - ii. Prepare a bank reconciliation statement
- b. In a tabular form what are the differences between a trial balance and a balance sheet (5 marks)
3. List five purpose of a trial balance (5 marks)
- b. Give four nature of a trial balance (4 marks)
- c. What is trial balance? (4 marks)
- d. What are the errors not disclosed by the trial balance and explain them (12 marks)
4. From the following items extract the trial balance (15 marks)

Purchase	176,000
Motor expenses	7,800
Rent paid	5,000
Commission received	6,000
Salaries & wages	10,000
Insurance	1,200
Electrical expenses	700
Sales	420,000
Motor vehicle	50,000
Furniture	35,000
Stock	177,000
Capital	50,000
Cash at hand	15,730
Rent received	2,000

- b. Give six reasons why a trial balance may not balance (6 marks)
- c. List four nature of a trial balance (4 marks)
5. List and explain seven reasons for disagreement between the cash book and bank statement (14 marks)
- b. mention three element of depreciation (3 marks)
- c. On December 1999, the cash book of a trader showed a balance of ₦ 478 (OD) while his bank statement showed a balance of N 402 (OD). It was discovered that the following transaction were responsible for the discrepancy between the two balances.

- a. cheque issued amounting to N77 had not been presented for payment.
- b. Uncredited cheques N119
- c. A standing order with the bank for a subscription for insurance premium N57 was not considered.
- d. Bank charges amounting to N30
- e. Dividend of N205 collected and credited by the bank did not appear in the cash book.

You are required to prepare the bank reconciliation statement. (8 marks)

6. List and explain the eight methods of depreciation. (6 marks)

b. List out four features of depreciation (4 marks)

c. The cost of a machine is N5,000 the scrap value is estimated as N300 while the estimated useful life is 4 years. Use the straight line method to prepare the necessary accounts. (15 marks)

You are required to:

- (a) Machine account
- (b) Depreciation account

7. Give five factors to be considered in the computation of depreciation (5 marks)

b. List the five causes of depreciation (5 marks)

c. Biodun Ltd operates a petty cash book on the imprest system with a cash float of N1,000. The following transactions took place in August 1999. (10 marks)

	N
Aug 1. Office cleaning	40
Aug 2. stationery	42
Aug 3. Envelops	8
Aug 5. Petrol	32
Aug 7. Postage & stamp	14
Aug 9. Office cleaning	45
Aug 11. David: Ledger account	38
Aug 12. Travelling expense	36
Aug 14. Postage	6
Aug 16. Stationery	92

Aug 17. Saul: Ledger account	30
Aug 18. Office cleaning	35
Aug 19. Petrol	24
Aug 21. Reimbursement of account	
Aug 22. Travelling expenses	15
Aug 24. Postage	13
Aug 25. Envelopes	12
Aug 29. Cleaning	6
Aug 30. Hosea: Ledger account	20

You are required to enter the transaction into the petty cash book under the following headings:cleaning,Ledger,Transport,Travelling,Stationery,postage.