



FACULTY OF BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BBA

YEAR/SEM: YEAR 2/SEMESTER 2

COURSE CODE: ACC 2201

NAME: INTERMEDIATE ACCOUNTING

DATE: 2025-04-24

TIME: 9:00AM-12:00PM

INSTRUCTIONS TO CANDIDATES:

1. Read the instructions very carefully
2. The time allowed for this examination is STRICTLY three hours
3. Read each question carefully before you attempt and allocate your time equally between all the Sections
4. Write clearly and legibly. Illegible handwriting cannot be marked
5. Number the questions you have attempted
6. Use of appropriate workplace examples to illustrate your answers will earn you bonus marks
7. Any examination malpractice detected will lead to automatic disqualification.

DO NOT WRITE ANYTHING ON THE QUESTION PAPER

Section A SECTION A IS COMPULSORY: ATTEMPT ALL THE QUESTION IN THIS SECTION

Question 1:

Appliance World Uganda Ltd is a company dealing in the sale of televisions, radios and fridges. The following were the beginning and closing balances for the period beginning 1st .01.2022 and ended 31st .12. 2022

Ledger Item	Balance B/f (UGX '000')	Balance C/f (UGX '000')
Property, plant and equipment	58,799	54,039
Share Capital	251,782	251,782
Retained Earnings	33,485	46,463
Accounts Receivable		
Uganda Telecom	-	39,388
Warid Telecom	-	35,000
MTN (U) Ltd	261,495	-
Cash and Cash Equivalents		
Cash at hand	8,450	14,033
Cash at bank	13,275	162,822
Accounts payable		
Peacock paints	6,000	7,037
Professional fees	50,752	-
Sales Revenue		
Uganda Telecom	66,230	24,610
Warid Telecom	-	116,447
Orange Telecom	67,797	1,991,525
Cost of sales	69,357	1,883,603
Administrative expenses		
Legal fees	-	7150
Print and stationery	786	806
Meals and Refreshments	985	1,093
Salaries	4,200	4,200
Office Rent	6,256	6,256
Professional fees	-	56,747
Office Communication	1,222	1,020
Audit fees	1,500	1,500
Depreciation	5,134	18,227
Directors Emoluments	10,978	40,867
Bad debts written off	-	97,740
Finance expenses		
Bank charges	124	395

Additional information

- The written down values (W.D.V) as at 1.01.2022 for fixed assets include;
 - Furniture and fittings 212,000
 - Machinery and equipment 3,324,000
 - Computers 1,133,000
- The cost of fixed assets as at 1.01.2022 include;
 - Computers 1,570,000
 - Furniture and fittings 2,713,000
 - Machinery and equipment 59,650,000
- Depreciation was calculated to write off the cost using reducing balance method. The rates used were;
 - Computers 40% p.a

- Furniture and fittings 12.5% p.a
- Machinery and equipment 25% p.a

4. The accumulated depreciation of fixed assets as at 1.01.2022 includes;

- Computers 830,000
- Furniture and fittings 880,000
- Machinery and equipment 3,424,000

5. The accounts were based on historical cost convention and noncurrent assets are stated on historical cost. Additional computers worth 1,858,000 and machinery & equipment worth 11, 609,000 was obtained during the period of 2022

Required

- a) Prepare the company's Notes to the Accounts **(05 marks)**
- b) cash flow statement, **(10 marks)**
- c) statement of comprehensive income, **(10 marks)**
- d) statement of financial position, **(10 marks)**
- e) statement of changes in Equity. **(05 marks)**

Section B CHOOSE ANY THREE QUESTIONS FROM THIS SECTION

Question 1:

- a) Briefly explain the procedure followed in the process of Formation of a company (**06 marks**)
- b)Write short notes on the following ;
 - i. Authorized share capital (2 marks)
 - ii. Issued share capital (2 marks)
 - iii. Called up share capital. (2 marks)
 - iv. Uncalled up share capital (2 marks)
 - v. Preference Shares (2 marks)
 - vi. Redeemable Shares: (2 marks)

Question 2:

- Explain any five major features of a company account (**10 marks**)
- Discuss any five factors that affects Share Capital (**10 marks**)

Question 3:

Explain various methods that can be used to ascertain Goodwill **(02marks)**

- b)X, Y and Z are partners and have always shared profits and losses in the ratio 4.3.1 respectively. They are altering their profit and loss sharing ratio to 3.5.2 respectively. Their SOFP as at 31st December 2023 was as below,

Net Assets	<u>14,000</u>
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Capital	X	6,000	
	Y	4,800	
	Z	<u>3,200</u>	
Total Capital			14000

The partners agreed to value goodwill at shs 12,000 on the change.

Required:

Prepare;

- The goodwill account **(06 marks)**
- Capital account **(06marks)**
- Statement of Financial Position as at 31st January 2012**(06 marks)**

Question 4:

- Identify and explain various features of joint ventures accounts **(04 marks)**
- Mark of Wimbledon and Dan of Weston enter into a joint venture. Mark e is to supply the goods and pay some of the expenses. Dan is to sell the goods and receive the cash, and pay the remainder of the expenses. Profits are to be shared equally.

Details of the transactions are as follows:

-	Mark supplied the goods costing	1800
-	Mark paid wages	200
-	Mark paid wages	160
-	Dan paid transport expenses	120
-	Dan paid selling expenses	320
-	Dan receive cash from sales of all the goods	3200

Required;

- Joint venture accounts Mark **(03 marks)**
- Joint venture accounts Dan **(03 marks)**
- Mark and Dan 's memorandum joint venture account (**10 marks**)

Question 5:

- What are the Circumstances that may lead to the ascertainment of Goodwill ((**10 marks**)
- Explain any three Benefits of cash flow statements. You need also to mention two limitations of Cash flow statement.. (**10 marks**)

Question 6:

The trial balance of Rubagumya, a trade taken on 30th September, 2010 failed to agree. To help locate the error, he prepared sales and purchases control accounts from following information

	Ugx
Sales ledger debit balances (1.10.2008)	227,200
Sales ledger credit balance (1.10.2008)	420
Purchase ledger debit balances (1.10.2008)	1.270

Purchase ledger credit balances (1.10.2008)	147,200
Balance for the year to (30.9.2008)	
Credit sales	402,120
Credit purchases	160,560
Sales returns	2,120
Purchases returns	4,500
Cash payments of creditors	222,700
Bad debts written off	4,700
Cash received from debtors	411,000
Bad debts written off	4,700
Cash received from debtors	411,000
Dishonored cheques	9,000
Carriage charged to customers	3,600
Discounts allowed	20,110
Discounts allowed on dishonored cheques	450
Debit balances in sales ledger transferred to purchase ledger	2,000
The list of balances extracted from the personal ledgers was as follows:	
	Ugx
Debtors	Debit balance 206,160
	Credit balances 540
Creditors	Credit balances 83,115
	Debit balances 825

Required

- a) Prepare the
- Debtors control account **(8 marks)**
 - i) Creditors control account **(8 marks)**
 - ii) State the amount of the error and in which ledger it occurred **(4 marks)**