SIR ARTHUR LEWIS COMMUNITY COLLEGE

ACADEMIC YEAR (2024/2025) – SEMESTER ONE

END OF SEMESTER EXAMINATION

COURSE CODE	:	ACC113
COURSE TITLE	:	Principles of Financial Accounting I
LECTURER(S)	:	Mrs. F. Beerom-Henry, Mrs. E. Hunt, Ms. U. Joseph, Ms. M. Popo
DATE	:	Monday, December 16, 2024
TIME	:	1:00 pm
DURATION	:	2 hrs
STUDENT ID #	:	____________________

GENERAL INFORMATION AND INSTRUCTIONS

- Students must sign **IN** and **OUT** on the examination class list.
- Place your ID # on each sheet of writing paper. **NO NOT WRITE YOUR NAME.**
- **Candidates are to read all instructions and questions carefully**.
- This paper carries **TWO (2)** sections.
  - **Section I – Compulsory question worth 20 marks total.**
  - **Section II – Optional questions.**
    Candidates are required to answer ANY TWO (2) questions from this section. **Each question is worth 15 marks.**
- Use of silent electronic calculators is permitted.
- **Borrowing or lending is STRICTLY PROHIBITED.**

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

SECTION I – Compulsory Question

Instruction: Answer this question.

Question 1

The following transactions occurred during the month of November 2024 for KC Toys that uses the perpetual inventory system.

Terms: 2/10, n/30 and FOB Shipping Point

Nov 8: KC Toys purchased $185,800 worth of inventory from Toys Galore on account. Shipping and handling amounted to $600.

Nov 12: Some toys valued at $18,530 were damaged during shipment and KC Toys returned them to Toys Galore free of charge.

Nov 15: KC Toys paid Toys Galore by cheque $95,000 worth of the inventory purchased on November 8.

Nov 25: KC Toys settled in cash the balance owing to Toys Galore for the inventory purchased on November 8.

Required:

A. Prepare the necessary journal entries to record all of the November transactions for KC Toys. *Ignore narrations.* **(15 marks)**

B. Compute the overall cost of inventory to KC Toys for November. **(5 marks)**

(Total 20 marks)

SECTION II – Optional Questions

Instruction: Answer any two (2) questions from this section.

Question 2

You started your internship at a small Insurance firm, in the Accounting Department and was provided with the following list of **adjusted balances** at 31 August 2024, by the Accounting Supervisor.

Cash	$150,500
Accounts Receivable	60,400
Prepaid Insurance	12,000
Land	60,000
Accounts Payable	28,600
Salaries Payable	12,200
Share Capital (Ordinary)	52,000
Retained Earnings	117,900
Dividends	33,000
Service Revenue	423,700
Insurance Expense	48,000
Salaries Expense	256,700
Miscellaneous Expense	13,800

Required:

Prepare the following at 31 August 2024 (***show all necessary workings***):

A. Closing journal entries **(10 marks)**

B. Post-Closing Trial Balance **(5 marks)**

(Total 15 marks)

Question 3

The following list of account balances was extracted from the books of **Ace Ltd** at its year end September 30, 2024.

Accounts	**Balances ($)**
Cash	5,200
Accounts receivable	3,500
Prepaid insurance	3,900
Vehicle	4,500
Supplies	9,500
Bank loan	7,500
Accounts payable	2,200
Unearned repair revenue	1,900
Share capital	12,000
Dividends	1,700
Repair revenue	11,000
Rent expense	3,100
Salaries expense	5,000
Supplies expense	3,500
Maintenance expense	2,200

Additional information on 30 September 2024:

a) One month of the insurance policy to the value of $400 had expired.

b) On September 15th, $800 of repair work was completed for a client, but it had not yet been collected or recorded.

c) The vehicle is expected to last 5 years with no residual value.

d) The company determined the value of supplies on hand to be $7,000.

e) On September 25th, salaries due but not yet paid amounted to $1,000.

Required:

Prepare the following for the year ended 30 September 2024:

A. Unadjusted Trial Balance (4 marks)

B. Journal entries to record items a) to e) above. ***Narrations are not necessary*** (6 marks)

C. Adjusted Trial Balance (5 marks)

(Total 15 marks)

Question 4

Just Us Sweet Shop provided the information below for the year ended 31 October 2024.

ACCOUNTS	$
Sales	472 628
Purchases	253 975
Closing Inventory	71 425
Opening Inventory	52 800
Returns Inwards	3 250
Rent Received	23 660
Depreciate Expense	10 870
Electricity	11 340
Insurance	6 974
Salaries and wages	51 652
Premises (cost)	213 500
Accumulated depreciation -Premises	7 245
Machinery at (cost)	148 000
Accumulated depreciation - Machinery	23 800
Accounts Receivables	38 232
Prepayments	2 110
Bank overdraft	13 981
Accounts Payables	28 910
Accrued Expenses	6 680
Capital b/d	325 799
Drawings	80 000

Required:

Prepare the following for the year to 31 October 2024:

a) Statement of Profit or Loss (Income Statement) (9 marks)

b) Statement of Financial Position (Balance Sheet) (6 marks)

(Total 15 marks)

END OF EXAMINATION