

CERTIFIED PUBLIC ACCOUNTANT FOUNDATION LEVEL 1 EXAMINATIONS <u>F1.3: FINANCIAL ACCOUNTING</u> DATE: TUESDAY 27, FEBRUARY 2024 MODEL ANSWERS AND MARKING GUIDE

SECTION A

QUESTION ONE

Marking (Guide
-----------	-------

Q/NO	Marks Awarding Guideline	Marks
Q1(a)	For each accounting concept correctly explained award two (2) marks	UICP241010
Q1b(i)	For each of the items below that is correctly posted in the	APAY202 FEBR
	manufacturing account award 0.5mark	UNICPANICPA
	Opening inventory of raw materials	0.5
	Purchased materials	0.5
	Add carriage inward	0.5
	Less materials returned	0.5
	Less closing inventory of materials	0.5
	Cost of materials consumed	0.5
	Add labour cost incurred	0.5
	Add labour cost owing	0.5
	Add other direct expenses	0.5
	Total prime cost	0.5
	Add indirect manufacturing costs	0.5
	Factory building depreciation	0.5
	Plant depreciation	0.5
	Rent Control C	0.5
	Electricity and water	0.5
	Repair and maintenance	0.5
	Fuel cost	0.5
	Opening work in progress	0.5
2UABRUA REFERENCIA PAREEDRAL PAREEDRAL	Closing work in progress	0.5
	Total cost of production for goods completed	0.5
	Sub-total	I an and
Q1b(ii)	For each of the correct amount of the following items award 0.5mark	ALC202412
2410 CPARY	Sales Revenue	0.5
	Less sales returns	0.5
	Opening inventory of finished goods	0.5
	Add total factory cost	0.5
	Closing inventory of finished goods	0.5
	Electricity and water	0.5
	Salaries and wages	0.5
	Rent	0.5
	Fuel C A C A C A C A C A C A C A C A C A C	0.5
	Delivery van depreciation	0.5
	Advertising	0.5
	Selling and distribution	0.5
	Bad debts written off	0.5
	Auditing	0.5

Total	UNCONTROLOGICAL CONTROLOGICAL	ACONBRUM 40
APPE APPE	Sub-Total	FE 241 CP 2410
VARYAUAR	Bank loan	0.5
REEBLAIC	revaluation reserve	0.5
UARRUAN	Revenue reserve	0.5
35 A1CE A10	Share premium	0.5
2UMARY ARFE	Ordinary share capital	0.5
02 842024	Current tax payable	0.5
ARTECRARE	Direct labour owing	0.4
204 UICIUAS	Trade payables	NB RUNDER 0.4
ARTICPART	Trade receivables	0.4
BRUATRUA	cash and bank balances	0.5
REFEB 2024	Inventories: finished goods	0.1
REBRUM	Inventories: work in progress	RU CPARCE 0.
REBRUARY	Inventories: Raw materials	0
RY20UARY	Delivery van	0
RUATOPATOP	Plant	0
QID(III)	Factory building	0.5
Q1b(iii)	For each of the correct amount of these items award 0.5mark	2PL BR EBC PL
EBICARTOR	Sub-total	0.5
241 UARYBI	Add revenue reserves b/f Revenue reserves c/f	0.5
RHAR ARIES	Retained profit for the year	0.5
UARBRUNBR	Corporation tax payable	0.5
ARTH202AL	Profit before tax	201 Rev 200 0.5
ALBRUAN	Carriage outwards	0.5
024202242	Staff motivation cost	SPREEDER 0.5
RUAKARICE	Communication cost	0.5
AP 12024	Travelling cost	ELEPHENE 0.5
A10 202 A10	Repair and maintenance	0.5

Model Answers

Q1(a)

Accrual concept -is an accounting concept about recognition and recording of transactions which states that an income/expense is recognized and recorded in the books of accounts once earned or incurred irrespective of whether cash was received/paid or not.

Prudence concept -it is an accounting concept which states that in business we always anticipate losses and therefore instead of overstating incomes and assets in the financial statements we should create provisions for anticipated losses. This concept state that income and assets should not be overstated at the same time in accounting, liability should not be understated and possible provisions should be made

Materiality concept - It is an accounting concept which determines whether an omission or misstatement of financial information in reports would impact a reasonable user's decision making. A transaction is deemed material if its omission could affect decision making process of users of financial information. All material transaction must be recorded, reported and disclosed as required by respective standards.

Duality Aspect concept -it is an accounting concept which indicates that each transaction made by a business impacts the business in two aspects. It explains origin of the concept and rule of double entry in accounting. In practice, each transaction should have debit and credit effect

Matching concept -it is an accounting concept which states that a company should match the revenues with the corresponding expenses of that accounting period. The cut off principle should be observed while preparing statement of comprehensive income and other reports

PAUAREUA EBEUAR ART PARA CRARIE DE 20 1 APR 20 EBRE	FRW "000"	FRW "000"
Opening inventory of raw materials	50,000	EPARTRUALAUIO241
Purchased Materials	580,000	BFE ARY 20 AR WALAR
Add carriage inward	25,000	EBROFEBARFEBRUI
Less materials returned to suppliers	(15,000)	CPANCERAR 200 RT
Less closing inventory of materials	(45,000)	1202 BRUEBR REED
Cost of materials consumed	024120 PARUAR PUBERU	595,000
Add labour cost incurred	150,000	1202 RY2024 RUALBR
Add labour cost owing	50,000	BRUNARBERGARICPA
Total labour cost	20 ARTUAR RY2 FEBREFED RT	200,000
Add other direct expenses	BREEDEBRUCPALCPALCPALCPALCPAL	55,000
Total prime cost	PART202 RY201 ARY204 BROFF	850,000
Add indirect manufacturing costs	ZUAL BRUPEBBRUARARUCPPAH	CPARY20 ARY2UARY2
Factory building depreciation	25,000	RUPERREPERRUCPAL
Plant depreciation	150,000	PARTOPPARTO222120
Rent A RUSS REAL PROPAGATION CONSTRUCTION	15,000	200241 UARBRUTEBAR
Electricity and water	15,000	REEPARTOPALEPO2
Repair and maintenance	3,000	0241 2022AICUAR RUI
Fuel cost	40,000	2UARY FEB REPORT
Total indirect cost	PRINTER 2020 BROTEBLE E	248,000
Opening work in progress	75,000	OLRY OUAR Y20 EBRRE
Closing work in progress	(90,000)	REEBBRUCPAR CPIZA
CP 128 120 202 00 182 02 18 18 18 18 18 18 18 18 10 10 14 10 20 40	JAR RUALBRUAR ARE OF AR OF	(15,000)
Total cost of production for goods completed	EFB PARTEBALAN 02 av 200 A 10	1,083,000

Q1b(ii) Manufacturing Account

Trading, profit and loss account	FRW"000"	FRW"000"
Sales revenue	UNE PART PARTICPARTER PROVIDE	2,109,000
Less sales returns	AUDIAN 20241 CPAREER 202	(100,000)
Net sales	R 3RUNRY 2024 10RUAU AL	2,009,000
Cost of goods produced and sold	TEBREUALEY 20 REF REFLUE PACEEL	202 202 RY 2024 BR
Opening inventory of finished goods	100,000	UAR BRUUAR ARD RAP
Add total factory cost	1,083,000	ARDEED 0241024 202
Less closing inventory of finished goods	(150,000)	PUARUARRUALARYAR
Total cost of goods produced and sold	RI LOPAREL 202 EV20 AR YOFER	1,033,000
Gross profit	NATO ABRUTEBERUTOR OPA	976,000
Less operating expenses	R PARTOPARE 2024 202 8120	202 EBREEBE FEBREBRU
Electricity and water	5,000	APOPATOPAT ARABITION
Salaries and wages	120,000	242002ABRUEBRUE
Rent	10,000	UARDAR PARTOPAK
Fuel Store Contraction of the Co	10,000	AUT024120201000
Delivery van depreciation	18,750	ARUALARYARFEARE
Advertising	10,000	TEBRAULO24102020A
Selling and distribution	40,000	RY20 ARY RUAR 241 RF
Bad debts written off	20,000	EBR RFEDARY TOPALC
Auditing	5,000	ICPEBR 202 RY20 ARY
Repair and maintenance	3,000	PARUALBRUEBRERUA
Travelling cost	10,000	PARTOPAK PERO2AU
Communication cost	2,000	1202 ALUAR RUARB
Staff motivation cost	1,000	ARTREBARFEORAR
Carriage outwards	50,000	CPAICE 024 AICPART
Total operating expenses	EP RY 20 ART CP AT CP AR 202	(304,750)
Profit before tax	20241202 8122024 RUN P201	671,250
Corporation tax payable	2 UN BRUNKER PARTICIPAR	(201,250)
Profit after tax	P & REFERENCE 410024 2024 2014	470,000
Add revenue reserves b/f	19 ABY UNB BRUIN AR REEL ART	250,000
Revenue reserves c/f	BEFEBBAREFEBBAICP 2410 0204	720,000

Q1b(iii)		8 28 0	Pr-b	No CH	THE O	120%	200	22	10.5	No. A	N.B.R.	R	2002
STATEMENT	2C)H2H4N	ANCUA		2051	110	NA	N A	104	10°	HAC: H	¢МВ	EК	2023

UNB BERRET OF ALLY ON BY DE 1202 BRUN	FRW "000"	FRW "000"	FRW "000"
Non - Current Assets	ALCIAR REFERENCE	CPARABER 20202	R 202 TEBROFEBR
Factory building	500,000	150,000	350,000
Plant AC OPA OPA C AC RUNDER AR 21	800,000	350,000	450,000
Delivery van	100,000	43,750	56,250
Total non-current assets	<u>1,400,000</u>	<u>543,750</u>	856,250
Current Assets	$\frac{2}{2} \frac{2}{2} \frac{2}{2} \frac{1}{2} \frac{1}$	RY RUAR RY REED RE	BRUEBERUACPA
Inventories: Raw materials	20242 ARTO 24BRUEBR	45,000	HCPHARUAR UAR
Inventories: work in progress	UATER UAR ARE PARAICPI	90,000	EBLEEBREEBR
Inventories: finished goods	24 5 F 0241202 2422 024 RV	150,000	PAICPORAL PYZAR
Cash and bank balances	PAR UAR BRUIAR BEERAR	400,000	2202 EBREBRER BRE
Trade receivables	EFEB REFEBRAICH 241 202	340,000	CPARCPAROPAR
Total current assets	02411 PARY 20 ARY RUAL ARY	EBARFE ARBREEL 240	1,025,000
Total Assets	202 BE FEBRERE BEBRICPA	102410 AICHARTRUAL	1,881,250
Equity And Liability	ARIOPA AICHOPARY20 ARY2A	RY2 FEBR REED ARED	Braulo2Alv202PA
Equity	2 RY2 DO2 BRUGEBREEBEBR	CRALAICP 241 NOPARI	20 AR RUA 02 ARF
Ordinary share capital	RUAR ARE OF ARCPARARY 202	X20 BRY 204 BROFEB	500,000
Share premium	241202420202412UALBRUT	BRUARARUCPALLO	50,000
Revenue reserve	JARRU VIAR REEPARTOPAK	E 024 20 BY 20 P	720,000
Revaluation reserve	FEFEB 410P024120241010	BRUAEBR 20 ARTE	50,000
Total equity	ARY 20 ARRUAK ARY 2 FEBRARE	PAR RUA ALLO 2410	1,320,000
Long Term Debt	FEBREEBBRUCPALLO2A	REARYQUARRUAR	REEAREDOPARE
Bank loan	ALCE AVOLAR ALARA	3R REED AREFE BLAIC	250,000
Current Liabilities	2ABRUEBRETERARY OPACAL	PLANOPREY ARY	JAR REEBARED
Trade payables	TOPAL OPEBR 202 PULAR	60,000	RAICPET AIC 2024 AIC
Direct labour owing	RUNC BRUNEBRUTEBRUN	50,000	ARARUAR ARVATER
Current tax payable	202 ABU OPAR OPAR OPAR 201 AN	201,250	PEBBRUCPALOV
Total current liabilities	RU202 V202 APRUMBRUAR	BRUCPAR CPATON	<u>311,250</u>
Total Equity and liability	SBROU MARTCRARGAICPART	OLRY20ART20EBR	1,881,250

SECTION B

QUESTION TWO

04 X 08	A
Marking	Ginde
Trial King	Guiuc

Q/NO	Marks Awarding Guideline	Marks
Q2(a)	For any two correctly explained reason award 2marks	ICE ALCA
Q2(b)	For each correctly computed figure as indicated below award marks	24/2026BR
ARY20 AR	Revaluation -correct revaluation 0.5mk, total column 0.5mk	ARARACRI
	Acquisition/additions -each correct addition 0.5mk, total column	1.5
	0.5mk	1.5
	Disposal – for each correct disposal amount 0.5mk, total column	2.5
	0.5mk	20202
	Balance 31st December 2023 each correct total 0.5mk including totals	RUBRU3
	Balance 1st January 2023 each correct balance 0.5mk including total	REPORT 2
	Disposal-each correct depreciation on disposal 0.5mk including total	CPINE 2
	Additions/charge for the year each correct 0.5mk including total	0.5
	Balance 31st December 2023 each correct 0.5mk including total Total PPE net book value	16
Total	2 10 - 20 - 20 - 20 - 20 - 20 - 20 - 20	20

Model Answers

Q2(a)

- (i) It is the requirement of the concept of accounting called prudence which requires assets and incomes not to be overvalued by anticipating losses, it is reason as to why stock is always valued or re-measured at the lower value of cost and net realizable value.
- (ii) Obsolescence when stock has been in the warehouse for some time, there is value deterioration calling for re-measurement.
- (iii) Discrepancies between accounting records and physical items of stock- this can be caused by theft, poor records, breakages etc.
- (iv) For accurate computation of cost of goods sold. Stock being a component of the cost of goods sold, if not properly valued can lead to understatement or overstatement of the cost goods sold .

12	- 0	51.0
n	2(h)
v	21	DT
×.	- (~,

Details	Land	Building	Plant And Machinery	Motor Vehicles	Total
Cost	FRW "Million"	FRW "Million"	FRW "Million"	FRW "Million"	FRW "Million"
Balance on 1 January 2023	750	500	400	600	2,250
Revaluation	150	3RUAR 202 440	2UAKRUATEBKUAKCAA	CPARAICIPAR	150
Acquisition/additio	26 EBARTED ARTE	200	150	RY2022 BEERE	350
Disposal	ARY OZALCPEN	(187.5)	OFEBRETED ARTER	(100)	(250)
Balance 31st December 2023	900	512.5	550	500	2,500
Depreciation	320,410,2410,202	ICPUAR UAEBP	RUADARTOPAKUCPAR	1202 RAY BRAY	OF EBLEEP ARTE
Balance 1 January 2023	EUAREBRUARY20	150	250	240	640
Disposal	ARH 120 8420-A	(37.5)	FBEBE ALCPIZALO2AL	(57.8125)	(95.3125)
Additions/charge for the year	REFERENCE ARE ED 24	25.625	75	79.453125	180.07812 5
Balance 31st December 2023	2024 TON ARUARUAR 2024 TON ARUARUAR 2024 TON ARUARUAR	138.125	325	261.64062 5	724.76562 5
Net book value 31- Dec-22	750	350	150	360	1,610
Net book value 31- Dec-23	900	423	225	253	1,737.734 375

Depreciation of the disposed motor vehicle

```
Deprecation of the disposed building
Carrying value = 150,000,000
Number years depreciated 4yrs
Method of depreciation straight line
Rate of depreciation 5%
Accumulated depreciation (4yrs × 5%) = 20%
150Million = 80% (after depreciating 20% for 4years)
20% = ?
= \frac{150,000,000 \times 0.2}{0.8}
=37,500,000
Original cost = carrying value + accumulated depreciation
= 150,000,000,000 + 37,500,000
= FRW 187,500,000.
```

Charge for the year 5% (512.5) = 25,625,000. Plant and machinery depreciation 25% (550-250) = 75 =FRW 75,000,000.

Motor Vehicle Depreciation Disposed motor vehicle Cost of the disposed motor vehicle =FRW 100Million Year of acquisition 2020 Number year till depreciation = 3year Method of depreciation is reducing balance Rate of depreciation 25%

Year 2020 = 25%(100) = 25mYear 2021 = 25%(100-25) = 18.75mYear 2022 = 25%(100-25-18.75) = 14.0625mYear 2023 none Total accumulated depreciation = 57.8125m

Charge for the year 500 - (240 - 57.8125) 25%(500-182.1875) = FRW = 79.453125

QUESTION THREE

Marking guide

Q/NO	Marks Awarding Guidelines	MARKS
Q3(a)	For correct amount of the items below award marks as indicated	2AU 202 AC
AREN202A	Opening balances – each correctly posted award 0.5mk	UNE VOER
	Credit sales correctly computed award 1 mark	RUALCPAUL2
	Sales returns- correct amount	0.5
	Bad debts written off – correct amount well posted award 0.5	0.5
	Discount allowed – correct amount well posted	0.5
	Receipts from customers: cash – correct amount well posted	0.5
	Receipts from customers: bank – correct amount well posted	0.5
	Interest on overdue accounts – correct amount well posted	0.5
	Collection cost charged on overdue accounts- correct amount posted	0.5
	Set off –correct amount well posted	0.5
	Dishonoured receipt cheque – correct amount well posted	0.5
	Closing balance each correctly posted closing balance 1mk	UICPAIC 2
	Total for the correct totals 1 mark	0.5
		10
Q3(b)	For correct amount of the items below award marks as indicated	V202 BYZIAR
240 BRU	Opening balances- each balance correctly posted award 0.5mk	BREEBBER
ARTCRAR	Credit purchases correctly computed and posted award 1mk	OPARE 02
0221200	Purchase returns- correctly posted	0.5
UNARTR	Cash discount received correctly posted	CBARFED PARTS
3KAICK 20	Payment advanced to suppliers: cash – correctly posted	0.5
ARYUN	Payment advanced to suppliers: bank – correctly posted	0.5
FEBRU	Interest charged by suppliers on overdue accounts – correct amount	0.5
ABT 202	Collection cost charged by suppliers on overdue accounts - correct	0.5
UAKBRUN	Dishonoured payment cheque- correctly posted	0.5
REPARS	Set off – correct amount posted	0.5
AL TOPPA	Closing balance- correct closing debit bal 0.5mk, credit balance 1mks	UNP R 1.5
2 EBR REF	Total – correct totals posted award 1mark	ARTOEBRUIP
Total	CRARED WE WATER BERERE BARE ER AND	PAR 20 10

Model Answers

Q3(a)

Sales Ledger Control Account (Vertical Account)

MET 201, 812, 184, 202, 920, 66, BL 27, BR 20, MAR AR CARLON ART BE	DEBIT	CREDIT
UARBRUARRUARBRANCE ALCE ARTEN AND A 200 AND CONSTRUCTION AND CONSTRUCTICA AND CONSTRUCTICA AND CONSTRUCTICA AND CONSTRUCTICA AND CONSTRUCTICA	FRW	FRW
Opening balances	3,600,000	940,000
Credit sales 80% (55,000,000)	44,000,000	BROFEBBRUNOPAL
Sales returns	PhARYUAR BRUAR ARTAR	1,100,000
Bad debts written off	REFERRARE FEBRAUL 241 202	1,200,000
Discount allowed	02410PARYUAR RUARAR	1,550,000
Receipts from customers: cash	120EBR FEBRARFEBRAUIO24	2,200,000
Receipts from customers: bank	ARICPALATCOPARY20 ARY AR	45,800,000
Interest on overdue accounts	2,500,000	JICPAICE 2410 TOPDAT
Collection cost charged on overdue accounts	2,000,000	V20ARY 20 FEBREEL
Set off	241022 1202024EUABERE	2,000,000
Dishonoured receipt cheque	2,000,000	202 av 20 her AICPH
Closing balance	1,500,000	810,000
Total REPORTON BY OF BUILD EEE BROOM OF MOUNT	55,600,000	55,600,000

Sales Ledger Control Account (T Account)

RUNARY REPARTOR ARE TO 2412024	FRW	3RUARAUPAN REEB 220 ARUAR BAR	FRW
Opening balance	3,600,000	Opening balance	940,000
Credit sales	44,000,000	Bad debts written off	
Interest on overdue a/c	2,500,000	1,200,000	
Collection cost charged	2,000,000	Sales returns	1,100,000
Dishonoured receipt cheque	2,000,000	Cash discount allowed	1,550,000
		Receipts from customers: cash	2,200,000
		Receipts from customers: bank	45,800,000
Closing balance	<u>1,500,000</u>	Set off	2,000,000
	<u>55,600,000</u>	Closing balance	<u>810,000</u>
		ALCRACCE ALCRARD 20 AR UNARCON A CONTRACT AND A CON	<u>55,600,000</u>

Q3(b) Purchases Ledger Control Account (Vertical Account)

UNPORTOR ARTOPACTOR AND A CONTROL AND A CONT	DEBIT SCHERE RU	CREDIT
24 02 AL 20 2 AL 20 AL BROWS RUNAL AL A	FRW	FRW
Opening balances	560,000	2,540,000
Credit purchases 80% (35,000,000)	PARTER RUAR PARTARE CPARE	28,000,000
Purchase returns	1,500,000	RUAR BRUAR PAROPAN
Discount received	1,350,000	2ARREED02400242000
Payment advanced to suppliers: cash	2,000,000	CPUARUAR RUAR AR
Payment advanced to suppliers: bank	26,500,000	BIEBARE EBR 2410,24
Interest charged by suppliers on overdue acco	ounts	1,750,000
Collection cost charged by suppliers on overc	lue accounts	1,250,000
Dishonoured payment cheque	1002 AU 202 AU AREUNEBREUN	1,000,000
Set off	2,000,000	02 20 02 BRUBRUEBREE
Closing balance	1,880,000	1,250,000
Total Road and Road Reverence and Comparison of the	35,790,000	35,790,000

Purchases Ledger Control Account (T Account)

PALARUAR BRUAR ARE PARTURA	<u>FRW</u>	BRUE BREBE BRUCE ALOU ALOU REIN	FRW
Opening balance	560,000	Opening balance	2,540,000
Purchase returns	1,500,000	Credit purchases	28,000,000
Cash discount received	1,350,000	Interest charged on overdue a/c	1,750,000
Payment to suppliers: cash	2,000,000	Collection cost charged	1,250,000
Payment to suppliers: bank	26,500,000	Dishonoured payment cheque	1,000,000
Set off	2,000,000	Closing balance	1,250,000
Closing balance	<u>1,880,000</u>	20 A2 B2 420 A4 BB A260 A24 B2 B0 440 0.4	
	35,790,000	AREUAL OPALO 24 OPALO ARUAE BOU	35,790,000

QUESTION FOUR Marking Guide

Q/NO	Marks Awarding Guidelines	Marks
Q4(i)	For every correctly posted amount of transaction into the cashbook award 0.5mark	ARYRUAR H
Q4(ii)	For every correctly posted amount of transaction into the trade receivables account award 0.5mark	2410PARVARVE5
Q4(iii)	For every correctly posted amount of transaction into the trade payables account award 0.5mark	100024104 812024104 812024104
Total		20

Model answers

Q4(i)

CASHBOOK									
DATE	DETAIL	DISC	CASH	BANK	DATE	DETAIL	DISC	CASH	BANK
I Jan	Bal b/f	QUARARTED PA	2,500,000	202 21202410	1 Jan	balance	BREBRURFER	PUNCPAULO2ALO	500,000
1 Jan	Cash	24101202 AR 12	2410 ICPARY UAK	2,000,000	1Jan	Bank	PALOPARAY	2,000,000	ARTARTER
31 Jan	T/rec	PEBRUAR	1,200,000	BRUARYARFE	31 jan	T/pay	202 EBROEBRO	750,000	2410 POPARTA
31 May	Share cap	ARTER BRANCP	10,000,000	2FEBREARD 2ALO 2ALO ARY202AL202ALO ARY20ARY202ALO	31 jan	T/pay ABC	50,000	LARVIOR LARVAR	ARTER ARTEAR
31 May	Share pre	RUFEBRARFEB	2,000,000	EBPARTEBRATC	31 jan	T/pay XYZ	60,000	CPAPARE 200 RV2 241CP UARVUARV2 26BR BBR BBR	ART 202 FEBRUAR 204 ART 204 AR
31 Jan	T/rec DD	90,000	PUARTEBRUARY20	1,710,000	31 jan	T/pay PQR	75,000	CPAROPHERRY	ARY20 ARY2410 ARY201 ARY202410 FEBREN COPAR
31 Jan	T/rec KK	100,000	OPARTRY 202 MI 201 OPARTY 202 MI 201 OPARTY 202 MI 201 OPARTY 202 MI 201	1,900,000	31 Dec	Bal c/f	ARYAUARBRUA AREAREBBRUA AREAREBBRUA	19,950,000	3,970,00 0
31 jan	T/rec MM	125,000	PARALOPA BE 202	2,375,000	OF BREAK	3F41CP1 241002	ALCEARDA	BRUDOLPARTER	CPARAETE 202
31 Jan	M/Vehicle	8802412024E	5,000,000	BIBRUCPARTOP	ALCEOPARY	UARTUAR ARY2	EBARFERAR	UB240120221202	2410 BRUARUAL
31 Jan	24102024UICPUA UARU2024UICPUA UARU2024UEBRUA	<u>315,000</u>	<u>20,700,000</u>	<u>7,985,000</u>	OFEBRUARD ALCON	REFERENCE AND	<u>185,000</u>	<u>20,700,000</u>	<u>7,985,00</u> <u>0</u>

Q4(ii)

TRADE RECEIVABLES A/C

DATE	DETAILS	AMOUNT	DATE	DETAILS	AMOUNT
1st Jan 23	Balance	1,200,000	31st Jan 2023	cash	1,200,000
31st Mar 23	Sales -DD Ltd	1,800,000	31st July 2023	cash	1,710,000
31st Mar 23	Sales -KK Ltd	2,000,000	31st July 2023	cash	1,900,000
31st Mar 23	Sales - MM Ltd	2,500,000	31st July 2023	cash	2,375,000
			31st July 2023	cash discount	315,000
	202 REV UNPOAICEBRE	7,500,000	10°2024 10° ARUA		7,500,000

Q4(iii)

TRADE PAYABLES A/C

DATE	DETAILS	AMOUN T	DATE	DETAILS	AMOUN T
ARYNARRUARYN	REEDARTCPARTED	FRW	UA BROFEBIRUA	PARIOPH2410PARY20AR	FRW
31st Jan 23	cash	750,000	1st Jan 2023	Balance	750,000
31st August 23	cash	950,000	31st Jan 23	Purchases-ABC Ltd	1,000,000
31st August 23	cash	1,140,000	31st Jan 23	purchases-XYZ Ltd	1,200,000

31st August	cash	1,425,000	31st Jan 23	purchases-PQR	1,500,000
23 31st August	Cash	185,000	BRUARY20202 EB	Ltd	
23	discount	N20 EEE CPART CPART	FEBRUICPICPICPI		
		<u>4,450,000</u>	2Y2UARY/AUARY2		<u>4,450,000</u>

QUESTION FIVE

Q/NO	Marks Awarding Guidelines	Marks
Q5(a)	For every functional difference fairly well explained award 2marks	RY NR 8
Q5b(i)	Transfers from exchequer	0.5
	Fees, fines and licenses	0.5
	Revenue from exchange transactions	0.5
	Other revenues	0.5
	Transfers from other ministries	0.5
	Total revenue	0.5
	Salaries and wages	0.5
	Transfers to other ministries	0.5
	Supplies and other consumables used	0.5
	Other expenses	0.5
	Finance cost	0.5
	Total expenses	0.5
	Add surplus as at 1st January 2023	0.5
	Surplus as at 31 st December 2023	0.5
	20 12 0 1 12 12 2 12 0 0 1 1 10 12 1 10 12 1 10 12 1 10 12 1 0 1	REED ARDET
Q5b(ii)	Property plant and Equipment	0.5
	Inventory	0.5
	Cash and cash equivalent	0.5
	Trade and other receivables	0.5
	Trade and other payables	0.5
	Reserves	0.5
	Accumulated surplus as at 31st December 2023	0.5
	long term borrowings	0.5
	liability for long term employee benefits	0.5
	Total equity and liabilities	0.5
	REFERENCE AND	FEBARFES
Total	24, REPART OF REVERSED BET OF REPORT OF REPART OF REPART OF REVERSED OF REVOL	20

Model answers Q5(a)

- (i) IPSAS 17 does not require or prohibit the recognition of heritage assets. An entity that recognizes heritage assets is required to comply with the disclosure requirements of this Standard with respect to those heritage assets that have been recognized and may, but is not required to, comply with other requirements of this Standard in respect of those heritage assets.
- (ii) IAS 16 does not have a similar exclusion.IAS 16 requires items of property, plant, and equipment to be initially measured at cost.IPSAS 17 states that where an item is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date it is acquired.
- (iii) IAS 16 requires, where an enterprise adopts the revaluation model and carries items of property, plant, and equipment at revalued amounts, the equivalent historical cost amounts should be disclosed. This requirement is not included in IPSAS 17.
- (iv) Under IAS 16, revaluation increases and decreases may only be matched on an individual item basis. Under IPSAS 17, revaluation increases and decreases are offset on a class of asset basis.
- (v) IPSAS 17 contains transitional provisions for both the first time adoption and changeover from the previous version of IPSAS 17. IAS 16 only contains transitional provisions for entities that have already used IFRSs. Specifically, IPSAS 17 contains transitional provisions allowing entities to not recognize property, plant, and equipment for reporting periods beginning on a date within five years following the date of first adoption of accrual accounting in accordance with IPSASs. The transitional provisions also allow entities to recognize property, plant, and equipment at fair value on first adopting this Standard. IAS 16 does not include these transitional provisions.
- (vi) IPSAS 17 contains definitions of "impairment loss of a non-cash-generating asset" and "recoverable service amount." IAS 16 does not contain these definitions. This is an important distinction. A non-cash generating asset is one that is not held for the generation of a commercial return and there are a number of these in use in the public sector which would not be the case in the private sector.

Q5b(i) STATEMENT OF FINANCIAL PERFORMANCE

Details of the second	Debit	Credit
Revenues	FRW	FRW
Transfers from exchequer	BRIDE ON ER BRIDE PORTER	250,000,000
Fees, fines and licenses	2 APREFILE PULIC ACTO 2024 CP DUA	50,000,000
Revenue from exchange transactions	CPARSON AVENAS 20 STERET	10,000,000
Other revenues		60,000,000
Transfers from other ministries	0 AB 10 BE 202 20 AB 200	5,000,000
Total revenues		375,000,000
Expenses	BY REELS CORDER DO 200 28	2024BRCEBREEBEBRU
Salaries and wages	100,000,000	PARCEAR CRAMPARTY 202
Transfers to other ministries	50,000,000	02420202ALBRUBRUE
Supplies and other consumables used	40,000,000	ALARA BEREAR OPALAR
Other expenses	120,000,000	4U1024102241024102UA
Finance cost	10,000,000	AR RUAR RY REELEFE
Total expenses	PARTO RIPORTO DA BRAND	320,000,000
surplus for the period	2UABRU BRURUARARIOPANOP	55,000,000
add surplus as at 1st January 2023	ARTER REPORT OF CONTRACTOR	75,000,000
Surplus as at 31st December 2023	2020 CARLON CAR	<u>130,000,000</u>

Q5b(ii)

STATEMENT OF FINANCIAL POSITION

Details of the second	FRW	FRW
Non-Current Assets	PLEY PATION AND ON 220	2 RUN RUPERS REP PA
Property plant and Equipment		400,000,000
Current Assets		BROWN BROWN
Inventory	10,000,000	CP 8 88 202 2120 48 12
cash and cash equivalent	50,000,000	ALUAR BRUMBBRRUAM
trade and other receivables	20,000,000	PARTOPAL BEE 24120
Total current assets	80,000,000	202 ALCIAR RUABRU
Less Current Liabilities	PARIO 24 OPARIZO ARIZUA	RV2 FEB REFERENCE
Trade and other payables	50,000,000	PARALO 024 HOP BE 201
working capital	BUAT ARCPANO PAROOK	30,000,000
Total net assets/capital employed		<u>430,000,000</u>
Equity And Long-Term Debt		207.212.118.120.188.1
Equity	NEEE 24 202 282 24 20 PM	RUFEBBRUMPARUCPAA
Reserves	AR ABBRINE REPARTO	180,000,000
Accumulated surplus as at 31st dec 2023	REEP REPERTING 024-2024	130,000,000
Total Equity	24 OF RELATIONS RULES BEI	310,000,000
Long Term Debt	Care and a care and a care a c	024 IC AB RUBBRUU
long term borrowings	100,000,000	20 EBE BEER ARD FEBRUAR
liability for long term employee benefits	20,000,000	ALCIO2AL OPART21AB

0,000

END OF MARKING GUIDE AND MODEL ANSWERS