ICPAR
Unlimited possibilities

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FOUNDATION LEVL 1 EXAMINATION

PARNOV F1.3: FINANCIAL ACCOUNTING 2022

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RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022 **SECTION ONE**NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022<mark>ICPARNOV2022ICPAR</mark>NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV

RNOV2022ICPAI**QUESTION\ONE**′2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

rnov20221cpai**Marking|Guide**0v20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov

a) Benefits and disadvantages of computerized accounting system

RNOV2022ICPAI	NOV2022ICPARNOV2022ICPARNOV	2Marks for each 21CPARNOV20221CPARNOV20221CPARN	Mari
RNOV2022ICPAI	NOV2022ICPARNOV2022ICPARNOV	2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV20ks10
RNOV2022ICPAI RNOV2022ICPAI	Benefits of computerized	1 mark for each correct advantage Maximum to 2	0.020210
RNOV2022ICPAI	caccounting ARNOV2022ICPARNOV	2advantages)V2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022I
RNOV2022ICPAI	Advantages of computerized	1 mark for each correct disadvantage Maximum to 2	OV202210
RNOV2022ICPAI	accounting ARNOV2022ICPARNOV	disadvantages 0221CPARNOV20221CPARNOV20221CPARN	DV2022I0
RNOV2022ICPAI	Sub-Total PARNO V2022 ICPARNO V	2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV202 4 I
RNOV2022ICPAI	RNOV2022ICPARNOV2022ICPARNOV	2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO	OV202210

RNOV2022ICPA b) Steps for recognition of revenue arising from contracts with customers 2022ICPARNOV2022ICPARNOV2022IC

Marks for each V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202	22ICPARN Ma i	rks
Award 1 mark for each correct step	ZZICPARNOV2	.022
Sub-Total arnov2022 ICPARNOV2022 ICPARNOV2022 ICPARNOV2020 ICPARNOV202	22ICPARNOV2	025

c) HAWEBA Partners Ltd's Statements,

Marks for each V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	PARNO Total Mar
Manufacturing Account (0.5 for each Correct line shown in the manufacturing account except for totals, subtotal)	PARNOV2022ICPAR PARNOV2022 6.5 'AR PARNOV2022ICPAR
Sub-Total for (c)i) 0221CPARNOV20221CPARNOV20221CPARNOV20221C	PARNOV2022 6.5 AR
Statement of profit or loss (0.5 for each Correct line except for totals, subtotal) 0 V20221CPARNOV202	PARNOV 2022ICPAR PARNOV 2022ICPAR PARNOV 2022ICPAR
0.5 mark for each computed profit share per profit appropriation account	PARNOV 2022ICPAR Parnov 2022 1 (.5) ar Parnov 2022ICPAR
Well shown working on increase in allowance for doubtful debt 2210	PARNOV2022 0.5 AR
Sub-total for (c, (ii) 221CPARNOV2022ICPARNOV202ICPA	PARNOV 2022 I GPAR PARNOV 2022 I GPAR
Statement of financial position (0.5 for each correct line except for totals, subtotal) OV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202	PARNOV2022ICPAR PARNOV2022ICPAR
Working for bank balance ARNOV2022ICPARNOV2022ICPARNOV2022IC	PARNOV2022IEPAR PARNOV2022I 2 PAR
PPE movement workings (1 for each item of PPE excluding Land)	PARNOV2022I 3 PAR
Partners current accounts (0.5 for each correct partner account balance) CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202	PARNOV 2022 ICPAR PARNOV 2022 ICPAR PARNOV 2022 ICPAR
0.5 mark for each computed interest on capital 2022ICPARNOV2022IC	PARNOV20221C5AR
Sub-Total c) iii) v20221CPARNOV2022ICPARNOV2022ICPARNOV2022IC	PARNOV202 15.5 AR
SUB Total Marks B ² ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	PARNOV2022ICPAR

 $ext{RNOV2022ICPA} = \frac{1}{100} \cdot \frac{1}{10$

Total Marks: NOV20221CPARNOV20221CPARNOV20221CPARNOV20221d PARNOV2022**40**

Model Answers

- a) Below are the advantages of computerized accounting System
- i. **Improve quality of work**: the accounts prepared with use of accounting systems are usually uniform, neat, accurate and more legible than manual job,
- ii. **Lower operating cost**: Computerized system is labor and time saving devise. Hence the volume of job handled with the help of computers results in economy and lower operating costs
- iii. **Improve efficiency**: Computerized accounting brings speed and accuracy in preparing the records and accounts and thus, increases the efficiency of the employees by way to achieve much compare to cost incurred.
- iv. **Control tool**: greater control and more information may be available with use of computerized accounting system, it ensures efficient performing in accounting work. System enables users be alerted when something went wrong
- v. **Security and Reliable:** Information stored in the system are protected and only authorized personnel could access themRNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV20
- vi. **Reduce errors:** Automated system reduce human errors and thus produce more accurate and reliable information than manual accounting

Below are the problems of computerized accounting system,

- i. **Reduction of Manpower**: the introduction of computerized system in accounting reduces the number of employees in an organization. Thus, it leads to greater amount of unemployment. ²⁰²²
- ii. **Need heavy investment**: it is hard for small firm to install computerized accounting system because of high installation and maintenance cost. To be economical there should be larger volume of work, if the system is not used to its fully capacity, then it would be highly uneconomical.
- iii. **Required** special skills: Computer system calls for highly specialized operators. The availability of such skilled personnel is very scarce and much cost. ICPARNOV2022I
- iv. Loss of Data: some time system might crush and all data store in it get lost
- v. **Possibility of Manipulation:** An intruder, rival or competitor can manipulate, modify or delete one or more programs of a company making the complete software unusable. 2022ICPARNOV2022I
- b) IFRS 15 provides steps for recognition of revenue arising from contracts with customers. Revenue is income arising in the ordinary course of an entity's activities, such as sales and fees. The key principle of IFRS 15 is that revenue is recognized to depict the transfer of promised goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This is achieved by applying a five-step model:

F1.3 20221CPAKNO v 20221CPAKN

- in Identify the contract(s) with a customer: The contract was signed between KH Ltd and one bank in the East African countries
- ii. Identify the performance obligations in the contract: KH Ltd obligation is to supply internet to the bank, so, once, internet is consumed by bank would indicate that obligations were performed iii. Determine the transaction price: Transaction price refers to the amount agreed in the contract in respect of performance obligation
- iv. Allocate the transaction price to the performance obligations in the contract: For this step, KH Ltd should be able to specify how much will be paid by bank for each internet MB per second consumed by bank
- v. Recognize revenue when (or as) the entity satisfies a performance obligation: The revenue from supplied internet should be recognized by KH Ltd

c) i) Haweba partner Ltd manufacturing account for the year ended 31 December 2021

NOV 2022ICPARNO V 2022ICPARNO V 2022ICPARNO V 2022ICPARNO V 2022ICPARNO V 2022ICPA PNOV 202ICPA PNOV 202ICPA PNOV 202ICPA PNOV 202ICPA PNOV 202ICPA PNOV 202ICPA PNOV 202I	FRW''000''	FRW"000"
Opening inventory of raw material 221CPARNOV20221CPARN	OV2022ICPAR 5,160	22ICPARNOV2022
Purchase of Raw materials RNOV2022ICPARNOV2022ICPARN	OV2022ICP/105,000	22ICPARNOV20221
Transport of Raw Materials, NOV2022ICPARNOV202ICPARN	0V20221CPA 10,250	221CPARNOV2022 221CPARNOV2022
Closing inventory Raw Materials2022ICPARNOV2022ICPARN	OV2022ICPA(4,000)	22ICPARNOV2022
Raw Material Consumed RNO V2022ICPARNO V2022ICPARN	OV2022ICPARNOV20	116,410
Salary of factory staff _{21CPARNOV2022ICPARNOV2022ICPARN}	OV 2022ICPARNOV 20: OV 2022ICPARNOV 20:	21CPAR 73,400
Prime Cost RNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV20	21CPAR1 189,810
Apportioned overheads	OV2022ICPARNOV20	ZICPARNOV2022
Light and power) V2022ICPARNOVW32ICPARNOV2022ICPARN	OV2022ICPAR 5,614)	22ICPARNOV2022
Rent and Rate NOV2022ICPARNO W42ICPARNOV2022ICPARN	OV2022ICPAR'4,900	22ICPARNOV2022
Depreciation of Building W2	0V2022ICPARN 434	221CPARNOV2022 221CPARNOV2022
Depreciation of Plant and Machinery W2 RNOV2022ICPARN	OV2022ICPAR 3,000	22ICPARNOV2022
Repair of Factory Building RNOV2022ICPARNOV2022ICPARN	OV2022ICPARN 350	22ICPARNOV2022
Repair -Machinery and Plant OV2022 ICPARNOV2022 ICPARN	OV2022ICPARN3000)	221CPARNO V 2022 221CPARNO V 2022
Total Overheads 2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV20	21CPARN17,298
Work in progress:	OV2022ICPA 20,200	22ICPARNOV2022
Closing inventory WIP CPARNOV2022ICPARNOV2022ICPARN	OV2022ICPA(5,000)	22ICPARNOV2022
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV20	^{2ICPARN} 15,200
Total production costs PARNOV2022ICPARNOV202ICPARNOV20	OV2022ICPARNOV20	222,308

ii) Haweba Partners Ltd's statement of Profit or Loss for the year ended 31 December 2021

knov2022icparnov2022icparnov2022icparnov2022icparno	FRW''000"	20221 FRW"000"
Sales Revenue OV2022ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPARNOV	2022ICPARI 370,000 I
Less cost of goods sold PARNOV 2022 ICPARNOV 2022 ICPARNOV	V2022ICPARNOV	2022ICPARNO V 2022I 2022ICPARNO V 2022I
Opening inventory of finished goods ICPARNOV2022ICPARNO	V2022ICP/ 8,000	2022ICPARNOV2022I

F1.3²⁰²²ICPARNOV2022ICPARNOV202I

RNOV2022ICPARNOV2022ICPARNOV20)22ICPARNOV2022ICPAR	10 V2 FRW!'000' '	2022IC FRW''000''
Production costs from manufacturi	ng account	222,308	2022ICPARNOV2022I
Closing of finished goods ARNOV20	D22ICPARNOV2022ICPARM	10 120221 (19,865)	2022ICPA (210,443)
Gross Profit NO V2022ICPARNO V20	022ICPARNOV2022ICPARN	NOV2022ICPARNOV	2022ICPAR 159,557
Less other expenses	DZZICPAKNO V ZUZZICPAKI DZZICPARNO V 2022 I CPARI	NOV 2022ICPARNO V NOV 2022ICPARNO V	2022ICPARNO V 2022. 2022ICPARNO V 2022.
Administration salary 21CPARNOV20	D22ICPARNOV2022ICPAR	NOV2022IC 22,000	2022ICPARNOV2022
Light and Power	022ICPAW3 OV2022ICPARM	2,406	2022ICPARNOV2022
Rent and Rate NOV2022ICPARNOV20	022ICPW4NOV2022ICPARN	NOV2022ICP/2,100	2022ICPARNOV2022
Depreciation of building PARNOV20	022ICPA W2 OV2022ICPARM	NOV2022ICPAR 186 V	2022ICPARNOV2022
Depreciation of motor vehicle	DZZICPW2 OVZUZZICPAKI DZICPAKIOVZOZZICPARI	1,200	2022ICPARNO V 2022 2022ICPARNO V 2022
Motor Expense OV2022ICPARNOV20	0221CPA W5 0V20221CPAR1	10,270 NOV20221C1 10,270	2022ICPARNOV2022
Postage and telephone ICPARNOV20	022ICPARNOV2022ICPARN	VOV2022ICP 6,380	2022ICPARNOV2022
Printing and stationery CPARNOV2)221CPARNOV20221CPARI)221CPARNOV20221CPARI	10V2022ICP 2,000	2022ICPARNOV2022 2022ICPARNOV2022
Increase in Bad and doubtful NOV2	022ICPAR W6 /2022ICPAR	NOV2022ICPA 1,000 V	2022ICPARNOV2022
Total Expenses)221CPARNO V20221CPARI	NOV2022ICPARNOV	(47,542)
Profit Before Tax20221CPARNOV2	022ICPARNOV2022ICPARN	NOV2022ICPARNOV	2022ICPAR 112,015
Tax 30%CPARNOV2022ICPARNOV20	022ICPARNOV2022ICPARN	NOV2022ICPARNOV	2022ICPARN33,605
Net Profit After Tax	DZZICPARNOV 2022 ICPART DZZICPARNOV 2022 ICPART	NOV2022ICPARNOV NOV2022ICPARNOV	78,411

RNOV2022ICPAI<mark>iii) Haweba Partners Litd's</mark>rnov2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

Statement of financial position for the year ended 31 December 2021

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPAR	N FRW''000 ''NOV2022	FRW''000
Non-Current Assets	NOV2022ICPARNOV2022	ICPARNOV2
PPE ₂₀₂₂ ICPARNOV2022ICPARNOV2022ICP W2 300V2022ICPAR	NOV2022ICPARNOV2022	ICPARN 28,5
Current Assets) V2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV2022	ICPARNOV2
Inventory 4,000+5,000+19,865	28,865	ICPARNOV2
Trade Receivable 2022 ICPARNOV 20 W6 PARNOV 2022 ICPAR	NOV2022ICPAR 38,000	ICPARNOV2
Prepayment Light and Power OV202 W4ARNOV2022ICPAR	NOV2022ICPARNO 6502	ICPARNOV2
WAT 0221CPARNO V 20221CPARNO V 20221CPARNO V 20221CPAR	NOV2022ICPARNO 450	ICPARNOV2 ICPARNOV2
Cash at bank RNOV2022ICPARNOV2022IW1 RNOV2022ICPAR	NOV2022ICPAI 121,560 2	ICPARNOV2
Total Non-Current Assets NOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV2022	189,
Total Assets NOV2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV2022 NOV2022ICPARNOV2022	ICPAR 218,
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV2022	ICPARNOV2
Capital & Liabilities	NOV2022ICPARNOV2022 NOV2022ICPARNOV2022	ICPARNOV2
Capital Contributed 21CPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV2022	ICPARNOV2
Habineza PARNO V2022ICPARNO V2022ICPARNO V2022ICPAR	NOV2022ICPAR 25,000	ICPARNOV2
Webale 1CPARNO V2022ICPARNO V2022ICPARNO V2022ICPAR	VOV2022ICPAR 15,000	HCPARNOV2 HCPARNOV2
RFabien 21CPARNO V20221CPARNO V20221CPARNO V20221CPAR	NOV2022ICPAR 10,000 2	ICPARN 50 ,
Current Accounts 0221CPARNOV20221CPARNOV20221CPAR	NOV20221CPARNOV2022	ICPARNOV2

F1.3 2022ICPARNO v 2022ICPARNO v

RNOV2022ICPAR	Habineza W9 NOV2022ICPARNOV2022ICPARNOV2022ICPAR	10V2022ICPAR 49,206	CICPARNOV2022IO	CPARNOV2022IC
RNOV2022ICPAR	Webale W9 RNOV2022ICPARNOV2022ICPARNOV2022ICPAR	10V20221CPAR 31,023	TCPARNOV 2022IO	CPARNOV2022IC
RNOV2022ICPAR	Fabien W9 ARNOV 2022 ICPARNOV 2022 ICPARNOV 2022 ICPAR	10v20221cpar1 0,682	ICPARN 90,911 I	CPARNOV2022IC
RNOV2022ICPAR	Liabilities ARNO V2022ICPARNO V	NOV2022ICPARNOV2022	CICPARNOV2022IO	CPARNOV2022IC
RNOV2022ICPAR RNOV2022ICPAR	Current Liabilities	10V20221CPARNOV2022 10V20221CPARNOV2022	ICPARNOV2022II	CPARNOV2022IC
RNOV2022ICPAR	Trade Payable NOV2022ICPARNOV2022ICPARNOV2022ICPAR	00020221CPAR 42,800 2	ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICPAR Rnov2022ICPAR	Accrued motor vehicle expense	$10V2022ICPARNO790^{2}$	ICPARNOV2022IO	CPARNOV2022IC
RNOV2022ICPAR	Current Tax RNOV2022ICPARNOV2022ICPARNOV2022ICPARN	10V2022ICPAR 33,605	ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICPAR	Total Current Liabilities RNOV2022ICPARNOV2022ICPARN	NOV2022ICPARNOV2022	ICPARN 77,195 10	CPARNOV2022IC
RNOV2022ICPAR RNOV2022ICPAR	T rotal zziepaknov zuzziepaknov zuzziepaknov zuzziepaki Protal zziepaknov zuzziepaknov zuzziepaknov zuzziepakn	NOV 20221CPARNOV 2022 NOV 20221CPARNOV 2023	220,105	CPARNOV2022IC

RNOV2022ICPAI**Workings, W1: Cash at Bank FRW "000"**NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPA	RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	POZZICPARNOV 2022 ICPARNOV FRW
RNOV2022ICIA RNOV2022ICPA	Bal as per Trial Balance PARNOV2022ICPARNOV2022ICPARNOV	2022ICPARNOV2022ICPARN 25,010 II
RNOV2022ICPA	Omitted Motor Cost 221CPARNOV20221CPARNOV20221CPARNOV	10221CPARNOV20221CPARN(2,500)
RNOV2022ICPA RNOV2022ICPA	Transport Cost _{10V20221CPARNOV20221CPARNOV20221CPARNOV}	2022ICPARNOV2022ICPARNO (500)
RNOV2022ICPA	R VAT paid Parnov2022ICPARNOV2022ICPARNOV2022ICPARNOV	20221CPARNOV20221CPARNO (450)
RNOV2022ICPA	Bal as per FP NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	121,560 121,560

RNOV2022ICPAI**W2: PPE Movement**22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

Cost	La	Building	Plant and CPARNOV	Motor Vehicle
RNOV2022ICPARNOV202	2nd A	RNOV2022ICP	Machinery PARNOV2	022ICPARNOV2022ICPARNOV2022I
Opening Balance	² 5,0	12,400	ARNOV2022ICP15,000 ²	022ICPARNOV2022ICPARNO 6,500
KNO V 20221 CPARNO V 202 RNO V 20221 CPARNO V 202	$^{21}_{21}00^{A}_{A}$	RNOV2022ICP RNOV2022ICP	ARNOV 2022 I CPARNOV 2 Arnov 2022 I CPARNOV 2	0221CPARNO V 20221CPARNO V 20221 0221CPARNO V 20221CPARNO V 20221
Additional PARNO V202	2ICPA	RNOV2022IGP	ARNOV2022ICPARNO∀2	022ICPARNOV2022ICPARNO3,000
Disposal CPARNOV202	$2IC0^{A}$	RNOV2022IOP	ARNOV2022ICPARNO 2	0221CPARNOV20221CPARNOV2020
Closing Balance	2 5,0	RNO 12,400	ARNOV2022ICP 15,000 2	0221CPARNOV20221CPARNO 9,500
RNOV2022ICPARNOV202	21 00 A	RNOV2022ICP	ARNOV2022ICPARNOV2	022ICPARNOV2022ICPARNOV2022I
Depreciation	2ICPA	RNOV2022ICP	ARNOV2022ICPARNOV2	022ICPARNOV2022ICPARNOV2022I
Opening Balance V200	2ICPA	RNOV 4,000	ARNOV2022ICPA 3,000 2	022ICPARNOV2022ICPARNO 1,500
Depreciation for the	2IC <u>P</u> A	RN12,400*5	(15,000-3,000)	022ICPARNOV2022I(6,500-1,500)
knov20221CPARNOV202 year 20221CPARNOV202	2ICPA	% =620	*25%= 3,000	*20%+3,000*20%*4/12=
RNOV2022ICPARNOV202	2ICPA	RNOV2022ICF	ARNOV2022ICPARNOV2	0221CPARNOV20221CPARNO 1,200
Depreciation for	2ICPA	RNOV2022ICP	ARNOV2022ICPARNO <u>v</u> 2	022ICPARNOV2022ICPARNOV202 <u>2</u> I
Disposed assets	2ICPA 2ICPA	RNOV20221CP RNOV20221CP	ARNOV2022ICPARNOV2 Arnov2022ICPARNOV2	0221CPARNO V 20221CPARNO V 20221 0221CPARNO V 20221CPARNO V 20221
Closing Balance V202	2ICPA	RNOV 4,620	ARNOV2022ICPA 6,000 2	022ICPARNOV2022ICPARNO 2,700 I
NBV at the end of	21CPA 2 5,0 A	RNOV20221CP	ARNOV2022ICPARNOV2 ARNOV2022ICPA 9,000 2	0221CPARNOV20221CPARNOV20221 0221CPARNOV20221CPARNO 6,800
the year CPARNOV202	25 , 04 21 00 4	RNOV20 ,220U P RNOV2022ICP	ARNOV2022ICPA 2,00 0 ARNOV2022ICPARNOV2	0221CPARNOV20221CPARNO V,000 0221CPARNOV20221CPARNOV20221

^{*}Depreciation on building to be shared as below: 2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN

RNOV2022ICPAI $_{
m F1.3}$ V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP $_{
m age}$

RNOV2022ICPA|**Factory: FRW 620*70%=434** NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202

RNOV2022ICPAI**W3:**V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022I	CPA Lights and Power 2022ICPARNOV2022ICPARNOV2022ICPARNOV2	FRW"000"221CPARNOV20221	CPARNOV2022IC
RNOV2022I	Balance as per Trial Balance NOV2022ICPARNOV2022ICPARNOV2	20221CPAR 8,670)221CPARNOV20221	CPARNOV2022IC
RNOV2022I	CPA less Prepayment V2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPA (650) 2022ICPARNOV2022I	CPARNOV2022IC
RNOV202210	Balance to be considered in financial statements	00221CPAR 8,020 0221CPARNOV20221	CPARNOV2022IC
RNOV2022I	CPA Factory 70% NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	20221CPAR 5,614)221CPARNOV20221	CPARNOV2022IC
RNOV2022I	Office 30% RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPAR 2,406)22ICPARNOV2022I	CPARNOV2022IC

KRNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAF**W4;**V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

Rent and Rate OV2022ICPARNOV2022ICPARNOV2022ICPARNOV	FRW"000" V2022ICPARNOV2022I
Balance as per Trial Balance NOV2022ICPARNOV2022ICPARNOV	v20221Cp 7,000 ,v20221Cparnov20221
Factory 70% RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	2022ICI 4,900 V2022ICPARNOV2022I
Office 30% ARNOV2022ICPARNOV202ICPARNOV20	120221CP2,100,120221CPARNOV20221

RNOV2022ICPAI**W5.**V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

Motor Expenses	FRW, 000, 2022 CPARNO V2022 I
Balance as per TB 2022ICPARNOV2022ICPARNOV2022ICPARNO	V 022ICP/ 9;480 /2022ICPARNOV2022I
Unpaid Bills RNOV2022ICPARNOV2022ICPARNOV2022ICPARNO	V. 022ICPAI <mark>790</mark> V2022ICPARNO V2022I
Motor Vehicle Expense PARNOV2022ICPARNOV2022ICPARNO	V:022IC 10,270 V2022ICPARNOV2022I

W6:

Trade Receivable at the end OV2022ICPARNOV2022ICPARNOV2022	FRW''000''21CPARNOV20221
Total Trade Receivable CPARNOV2022ICPARNOV2022ICPARNOV2022	CPAR 40,000 2 ICPARNO V 2022 I
Allowance for bad 40,000*5%	CPAR (2,000) 21 CPARNO V 20221
Net trade receivable 221CPARNOV2022ICPARNOV2022ICPARNOV2022	CPARN 38,000 21CPARNOV2022I

^{*}Increase in Allowance for Bad and doubtful debt= 2,000-1,000=1,000

RNOV2022ICPAIW7: Profit or Loss appropriation Account RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAI	RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	FRW:'000'20221CPARN	FRW'''000''NOV20221
RNOV2022ICPA	Profit for the year/2022ICPARNOV2022ICPARNOV20	22ICPARNOV2022ICPARN	OV2022ICPARN 78,41 11
NOV2022ICPA	Less Interest on Capital	221CPARNOV20221CPARN	OV 2022ICPARNO V 2022I
anov 2022 i CPA i Rnov 2022 i CPA i	Habineza 25,000*5%	121CPARNOV20221,250 121CPARNOV20221,250	IOV 2022ICPARNOV 2022I
NOV2022ICPA	Webale ICP15,000*5% ICPARNOV2022ICPARNOV20	221CPARNOV20221C 750 N	OV2022ICPARNOV2022I
NOV2022ICPAI	Fabien 10,000*5%	221CPARNOV20221C500	OV2022ICPARNO2,500
NOV2022ICPAI	Less Salary of Partner ICPARNOV2022ICPARNOV20	221CPARNOV20221CPARN	OV2022ICPARNOV2022I
NOV2022ICPA	Remaining Profit to be shared V2022ICPARNOV20	22ICPARNOV2022ICPARN	OV2022ICPARN 75,911

RNOV2022ICPAI $_{
m F1.3}$ V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP $_{
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022ICPA 022ICPA	Share of pro		PARNOV20	22ICPARNO 22ICPARNO	DV2022ICPARNOV2022 DV2022ICPARNOV2022	ICPARNOV2	022ICPARNOV	V2022ICPARNO V2022ICPARNO
022ICFA		al: 25,000+15	PARKETVIII	DOM PARNE	OV20P2ICPARNOV2022	ICPARTIO V 2	022ICPARNO	V2022HCPARNO
022ICPA	LITO TEOLLIOIT	(75,911*25,00	DITHUTO TEO.	22ICPARNO	O TEVERIORIE TO TEVER	37,956	.022ICPARNOV	V2022ICPARNO
0221CPA 022ICPA	PNOVMONTOR	5,911*15,000)	PARNOVA	221CPARNO 221CPARNO	OV2022TCPARNOV2022	22,773 OV2	022ICPARNO	√20221CPAKNC √20221 CPARN(
022ICPA	Fabien (75,	,911*10,000)/	/50,000 ₋₂₀	22ICPARNO	OV2022ICPARNOV2022	5,182	.022ICPARNO	5,911 CPARNO
022ICPA 022ICPA 022ICPA 022ICPA	P. Debit 221CP	PARNO V2022IC Pr's Current 7 PARNO V2022IC PARNO V2022IC	JPARNOV 20. JPARNOV 20.	22ICPARNO 22ICPARNO 22ICPARNO 22ICPARNO	DV2022ICPARNOV2022 DV2022ICPARNOV2022 DV2022ICPARNOV2022 OV2022ICPARNOV2022	ICPARNOV2 ICPARNOV2 ICPARNOV2 ICPARNOV2	022ICPARNOV .022ICPARNOV .022ICPARNOV 2022ICPARNOV	V2022ICPARNO V2022ICPARNO V2022ICPARNO V20 Credit rno
022ICPA 022ICPA 022ICPA	R Detail 221CP R Bal /20221CP RNOV20221CP	PA Habineza PARNOV2022IC PARNOV2022IC	CP Webale () CPARNOV201 CPARNOV201	2 Fabien ()2 5,000 NO)22 ICPARNO	Detail PARNOV2022 Bal 21CPARNOV2022 Profit shared V2022	Habineza 10,000 \cdot 2 1037,956 \cdot 2	a 22 Webale 2022 7,500 NOV 2022 22,773	v 2Fabien rnd v2 0 221CPARNO v2 15 ,182 ^{ARNO}
022ICPA	Bal at end	^A 49,206	31,023	10,682	Interest on Capital	THE PROPERTY AND THE PARTY AND	2022 750 RNOV	500 CPARNO
0221CPA 022ICPA	RNOV2022ICP	49,206 0221C	31,023	15,682	JV20221CPARNO v 2022 OV20221CPARNO V 2022	49,206	31,023	15,682
022ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(JV2022ICPARNOV2022	ICPARNOV2	.022ICPARNOV	V2022ICPARNC
022ICPA	RNOV2022ICP	ARNOV2022IC	PARNOV20	22ICPARNO	DV2022ICPARNOV2022	ICPARNOV2	.022ICPARNOV	V2022ICPARNO
022ICFA 022ICPA	RNOV2022ICF	ARNOV2022IC	PARNOV20	22ICPARNO	OV2022ICPARNOV2022	ICPARNOV2	2022ICPARNO	V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(OV2022ICPARNOV2022	ICPARNOV2	.022ICPARNO	V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	PARNOV20	22ICPARNO	DV2022ICPARNOV2022	ICPARNOV2	.022ICPARNOV	V2022ICPARNO
D22ICPA	RNOV2022ICPA	ARNOV20221C	PARNOV20	22ICPARNO	OV2022ICPARNOV2022	ICPARNOV2	.022ICPARNO	V2022ICPARNU
JZZICFA 1221CPA	RNOV2022ICF	AKNO V 20221C	PARNOV20	22ICPARNO	OV2022ICPARNOV2022	ICPARNOV2	022ICPARNO	V2022ICPARNO V2022ICPARNO
D22ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(OV2022ICPARNOV2022	ICPARNOV2	2022ICPARNO	V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(OV2022ICPARNOV2022	ICPARNOV2	.022ICPARNO	V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	PARNOV20	22ICPARNO	DV2022ICPARNOV2022	ICPARNOV2	.022ICPARNOV	V2022ICPARNO
DZZICPA D221CPA	RNOV2022ICF	AKNO V 20221C	PARNOV20	22ICPAKNO D2ICPARNO	OV2022ICPARNOV2022 OV2022ICPARNOV2022	ICPARNOV2	0221CPARNO	V2022ICPAKNU V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(OV2022ICPARNOV2022	ICPARNOV2	2022ICPARNO	V2022ICPARNO
					OV2022ICPARNOV2022			
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		111110 1202210			OV2022ICPARNOV2022			V2022ICPARNO
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CARLOTT	DATOTION	THE O TEST		A A I CD D I I C	OV2022ICPARNOV2022 OV2022ICPARNOV2022	TOP : PITOTIA	ODDICTION OF	V2022ICPARN(
022ICPA	RNOV2022ICP	ARNOV2022IC	CPARNOV20	22ICPARN(OV2022ICPARNOV2022	ICPARNOV2	.022ICPARNO	V2022ICPARNO
022ICPA	RNOV2022ICP	ARNOV2022IC	JPARNOV20	22ICPARNO	OV2022ICPARNOV2022	ICPARNOV2	.022ICPARNOV	V2022ICPARNO
					OV2022ICPARNOV2022			
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022ICPA	RNOV2022ICP	PARNOV2022IC	CPARNOV20	22ICPARNO	OV2022ICPARNOV2022	CICPARNOV2	2022ICPARNOV	V2022ICPARNO
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RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICI**SECTION B**ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAI**QUESTION:TWO**2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAI**Marking Guide**OV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

PNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022
Marks for each V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	Ma rks
Journal Entries (1 Mark for each correct double entry in Journal Level)	9 22
Capital account 0 V 2022 ICPARNO V 2	0.52
Bank account NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	/ 3 022]
Loan_0221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov	0.5_{2}
Computer account 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	0.52
Rent account Nov 2022 ICPARNO V 2022	0.5
Prepaid Rent account 21CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV	0.521
VAT account (1 Mark for each correct transaction however it is applied when there is one correct transaction and in case all transactions are correct award 1.5Marks)	V2022] V 1 0 5 2] V2022]
Purchase account V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	/40221
Cash account, NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202	720221 720221
Sales account NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	0.52
Payable account V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202	0.5
Motor ₂ Vehicle ₁ OV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	$\sqrt{0.5}_{2}$
Electricity PARNO V2022ICPARNO V202ICPARNO V202ICPARNO V202ICPARNO V202ICPARNO V202ICPARNO V202ICPARNO V202ICPARNO V202ICP	0.5
Total	20

 $\begin{array}{l} \textbf{RNOV2022} \text{ICPARNOV2022} \text{ICPARNOV$

RNOV2022ICPAI**MODEL IANSWERS** 2ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20

RNOV2022ICPARNOV

RNOV2022ICPAI**a) (Mukaneza's Journal entries for March 2020**)22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

Date 022ICPA	Details ₂ icparnov2022icparnov202	21CPARNOV20221CPARN 21CPARNOV20221CP Dr N	ov2022icparnov2022i ov2022icparnov2 Cr i
RNOV2022ICPA	NOV2022ICPARNOV2022ICPARNOV202	HCPARN(FRW2''000''N	OV2022IC FRW''000'' !I
RNOV2022ICPA RNOV2022ICPA	Bank 0221CPARNOV20221CPARNOV202	10,000 10,000	OV2022ICPARNOV2022I
01/03/2020	Capital2ICPARNOV2022ICPARNOV202	2ICPARNOV2022ICPARN	OV2022ICPARN 10,000 I
RNOV2022ICPA	RNOV2022 Being recording capital int	roduced in Business	IOV2022ICPARNOV2022I
RNOV2022ICPA	Bank Account	ICPARNOV20225,000	OV2022ICPARNOV2022I
02/03/2020	Loan Account NOV2022ICPARNOV202	ZICPARNOV2022ICPARN	OV2022ICPARNO 5,000 I
RNOV2022ICPA	NOV2022ICPARNOV2022IC Being recon	rding loan received	IOV2022ICPARNOV2022I
03/03/2020	Computer a/c _{NOV2022ICPARNOV202}	21CPARNOV20221C750N	OV2022ICPARNOV2022I
RNOV2022ICPA	Bank ⁰ a/cCPARNOV2022ICPARNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV 750 I
RNOV2022ICPA RNOV2022ICPA	Being recognitio	n of acquired compute	e rs Ov2022ICPARNOV2022I
04/03/2020	Rent account NOV2022ICPARNOV202	21CPARNOV2022 2,000 N	OV2022ICPARNOV2022I

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2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 3/2020 2022ICPAI	Rent pre-payment a/c Bank Recognite Purchase a/c 5,000*100/118 VAT Account 5,000*18/118 Bank Being Purchase	ion of rent paid CPARNOV20224,237	OV2022ICPARNOV2022II OV2022ICPARNOV202ICPARNOV202			
2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 3/2020AI 2022ICPAI	Purchase a/c 5,000*100/118 VAT Account 5,000*18/118 Bank	ICPARNOV20224,237 ICPARNOV2022IC763 ICPARNOV2022ICPARN	OV 20221C PARNOV20221 NOV20221CPARNOV20221 OV20221CPARNOV20221 OV20221CPARNOV20221 OV20221CPARNOV20221			
2022ICPAI 2022ICPAI 2022ICPAI 2022ICPAI 3/2020AI 2022ICPAI	Purchase a/c 5,000*100/118 VAT Account 5,000*18/118 Bank	ICPARNOV20224,237 ICPARNOV2022IC763 ICPARNOV2022ICPARN	OV 20221C PARNO V20221 NOV 20221CPARNO V20221 OV 20221CPARNO V20221 OV 20221CPARNO V20221 OV 20221CPARNO V20221			
2022ICPAI 2022ICPAI 2022ICPAI 3/2020AI 2022ICPAI	VAT Account 5,000*18/118 Bank	HCPARNOV20221CPARN DICPARNOV20221CPARN DICPARNOV2022ICPARN	OV2022ICPARNOV2022I OV2022ICPARNOV2022I OV2022ICPARNOV2022II OV2022ICPARNO 5,000 I			
2022ICPAI 2022ICPAI 3/2020AI 2022ICPAI 2022ICPAI	Bank0221CPARNOV20221CPARNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV2022H OV2022ICPARNOV2022H OV2022ICPARNO 5,000 H			
3/2020AI 2022ICPAI 2022ICPAI	NOVIGORAL DELOVIDAÇÃO DE DELOVIDAÇÃO	ZICPARNOV2022ICPARN	OV2022ICPARNO 5,000 II			
2022ICPAI 2022ICPAI 2022ICPAI	NOV2022ICPARNOV2 Being Purchase	21CPARNOV20221CPARN				
2022ICIAI 2022ICDAI	L NU V ZUZZIU I ARNI NU V ZUZZIU I ARNI I V ZUZ	e of Goods from G.sho	pV2022ICPARNOV2022I			
CUZZICIAI	Cash a/c CPARNOV2022ICPARNOV202	11CPARNOV2022 4,000	OV2022ICPARNOV2022IC			
2022ICPAI	VAT account \ 4,000*18/118\202	2ICPARNOV2022ICPARN	OV2022ICPARNOV 610 I			
3/2020	Sales account 4,000*100/118	ZICPARNO V 2022ICPARN ZICPARNO V 2022ICPARN	0V2022ICPARNO3,390			
2022ICPAI	NOV2022ICPARNOV2022I Being recognition of sales made NOV2022ICPARNOV2022I					
2022ICPAI	Electricity account 2022IC PARNOV202	PICPARNOV2022IC500	OV2022ICPARNOV2022I			
3/2020	Bank ₀₂₂ ICPARNOV2022ICPARNOV202	ZICPARNOV 2022ICPARN ZICPARNOV 2022ICPARN	0.020221CPARNOV 500 H			
2022ICPAI	NOV2022ICPARNOV2022ICP Being payment of electricity ARNOV2022ICPARNOV2022I					
2022ICPAF 2022ICPAF	Motor vehicle account	IICPARNOV2022 3,000	OV2022ICPARNOV2022IU			
3/2020	Cash a/c CPARNOV2022ICPARNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNO3,000 _{II}			
2022ICPAI	NOV2022ICPARNBeing recognition of	purchase of Motor V	ehicle 21CPARNOV202210			
3/2020	Purchases	11CPARNOV2022 8,000	OV 20221CPARNO V 202210 OV 20221CPARNO V 202210			
2022ICPAI	Trade Payable NOV2022ICPARNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNO 8,000 I			
2022ICPAI	NOV2022 CPARNOV2022 Being purch	ase goods on credit	VOV2022ICPARNOV2022IC			
	3/2020 3/2020 3/2020 3/2021 3/2020 3/2020	Sales account 4,000*100/118 Being recognition of 3/2020 Sales account 4,000*100/118 Being recognition of 3/2020 Purchases Trade Payable	Sales account 4,000*100/118 Being recognition of sales made Electricity account 500 Bank Being payment of electricity Motor vehicle account 3,000 Cash a/c Being recognition of purchase of Motor V 3/2020 Purchases 8,000			

RNOV2022ICPAI**b) Ledger accounts** 022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

KNOV202	2ICPARNOV2022	CPARNOV2022IC	Capital Account	OV2022ICPARN	OV2022ICPARI
(Dr V202)	21CPARNO V 20221	CPARNO V 2022ICI	'ARNOV2022ICPARN	OV2022ICPARN	OV2022ICPARI
Date	Details	Amount	Date Date	Details	Amount
NOV202	Balance c/d	CPAR 10,000 21CE	01/03/2020 ARN	OV Bankparn	OV20221 10,0 6

IOV2022ICPAI	DR 2022ICPAR	NO V2022IC	PARNOV 2022 I CPARN PARNOV 2022 I CPARN	OV2022ICPARN	DV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2021 DV 2022ICPA PNOV 2022ICPA PNOV 2022ICPA PNOV 2021			
OV2022ICPAI	Date 022ICPAR	Details	PARNOV FRW 000	(Date 21CPARN	Ov Details ARNOV2022	ICPAFRW 0001		
OV2022ICPAI	01/03/2020	Capital	PARNOV20210,000	03/03/2020	Computer a/c 202	ICPARNOV 75010		
TOV 2022I CPAT JOV 2022I CPAT	02/03/2020	Loan	PARNOV2022 5,000	04/03/2020	Rent a/c	2,400		
NOV2022ICPAI	RNOV2022ICPAR	NOV2022IC	PARNOV2022ICPARN	10/03/2020	Purchase a/c V202	21CPARNO 5,000 10		
NOV2022ICPAI	RNOV2022ICPAR	NO V2022IC	PARNOV2022ICPARN	20/03/2020	Electricity a/c	ICPARNOV 500 I		
NOV 2022ICPAI	RNOV2022ICPAR RNOV2022ICPAR	NOV2022IC NOV2022IC	PARNOV2022ICPARN PARNOV2022ICPARN	OV2022ICPARN	Balance c/d V 202	11CPARNO 6,350 I		
NOV2022ICPAI	RNOV2022ICPAR	NOV2022IC	PARNOV202 15,000 N	NOV2022ICPARN	OV2022ICPARNOV202	2ICPARN 15,000 IC		

 $RNOV2022ICPAI_{\ref{f1}.3\ref{f1}.3\ref{f2}} 2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC\ref{f2} age 10 of 21 CPARNOV2022ICPARNOV202ICPAR$ RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAI	RNOV2022ICPARNOV	2022ICPARNO	V2022 Computer	account NOV	2022ICPARNOV	2022ICPARNOV2022I	CPARNOV2022IO
RNOV2022ICPAI	Dry2022ICPARNOV	2022ICPARNO	V2022ICPARNOV20	Cr. DA DALOV	2022ICPARNOV	2022ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICPAI RNOV2022ICPAI	Date 0221 CPARNOV	Details	Amount NOV2	Date RNOV	Details	Amount NOV202210	CPARNOV2022IC
RNOV2022ICPAI	03/03/2020	Bank	V2022IC 750 NOV20	22ICPARNOV2	Balance c/d	2022ICPA 750 V2022I	CPARNOV2022IC
RNOV20221CPAI RNOV20221CPAI	(NOV 2022ICPARNO V RNOV 2022ICPARNO V	2022ICPARNO 2022ICPARNO	V 2022ICPARNO V 20 V 2022ICPARNO V 20	221CPARNOV2 221CPARNOV2	10221CPARNOV 20221CPARNOV	20221CPARNOV202210 20221CPARNOV202210	CPARNOV 2022IC CPARNOV 2022IC

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m RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC}$

CPARNOV2022IC

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RNOV20221CPA	RNOV2022ICPARNOV	2022ICPARNOV	20221CPARNO V202	21CPARNOV20	22ICPARNOV20	221CPARNOV202210	CPARNO V 2022I C
RNOV2022ICPAI	RNOV2022ICPARNOV2	2022ICPARNOV	2022ICPRent acco	untarnov202	22ICPARNOV20	22ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICPA	R Dr V2022ICPARNOV2	2022ICPARNOV	2022ICPARNOV202	2ICPARNOV202	22ICPARNOV20	22ICPARNOV2C7	CPARNOV2022IC
RNOV2022ICPAI RNOV2022ICPAI	Date 0221CPARNOV	Details	Amount	Date NOV20	Details	Amount	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICPA	03/03/2020arnov	BankARNOV	20221 2,000 10V202	2Bal c/d OV202	22ICPARNOV20	22ICP 2,000 V2022I	CPARNOV2022IC
RNOV2022ICPAI	RNOV20221CPARNOV2	20221CPARNOV	2022ICPARNOV202	21CPARNOV202	221CPARNOV20	221CPARNOV202210	CPARNOV2022IC
RNOV2022ICPAI	RNOV2022ICPARNOV2	2022ICPARNOV	2022ICPARNOV202	2ICPARNOV20	22ICPARNOV20	22ICPARNOV2022I	CPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202.

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP

rnov20221cparnov20221cparnov20221cparnov202224,000nov20221cparnov20221cparnov20221c24,000ov20221cparnov20221c

Ri ${f Dr}$ V2022ICPARNOV2022ICPARNOV2022I ${f C}$ PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2 ${f C}$						
Date OZZICPA	Details	FRW 000	Date V2022ICPAR	Details	FRW 000	
NOV2022ICPA NOV2022ICPA	RNOV2022IC	PARNOV2022IC	15/03/2020 CPA	Cash sales	22ICPARNOV 610	
10/03/2020	bank 02210	PARNOV2763	PARNOV2022ICPAF	Bal c/d RNOV	22ICPARNOV2043	

RNOV20221CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

CNOV2022ICPAR	NOV2022ICPARNO	Purchase A	ccount	2022ICPARNOV2	022ICPARNOV2022I
Drv2022ICPAR	NOV2022ICPARNO	V2022ICPARNOV20	22ICPARNOV	022ICPARNOV2 Cr 2	
Date 022ICPAR	Details CPARNO	FRW 000 NOV20	Date	Details Prove	FRW 000 V2022
10/03/2020	Bank _{221CPARNO}	4,237 PARNOV20	22ICPARNOV	2022ICPARNOV2	022ICPARNOV2022 022ICPARNOV2022
28/03/2020AR	Payable's a/c	V8,000 PARNOV20	22ICPARNOV	Balance c/d V2	12,237 NOV2022
KNOV2022ICPAR	NO V2022ICPARNO	V2022ICPARNOV20	221CPARNOV	2022ICPARNOV2	022ICPARNOV2022
	Date 10/03/2020	Date Details Details 10/03/2020 Bank	Dr Details FRW 000 Date Details FRW 000 10/03/2020 Bank 4,237	Date Details FRW 000 Date 10/03/2020 Bank 4,237	Dr Details FRW 000 Date Details 10/03/2020 Bank 4,237 10/03/2020

123237 RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022123237 RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICP

NOV2022ICPARNOV2022ICPARNOV2022IC

DrV2022ICP	ARNOV2022ICP	ARNOV2022ICP	ARNOV2022ICPAF	RNOV2022ICPARNOV202	2ICPARNOV2 C r
Date	Details	FRW 000	Date 2022 ICPA	Details Details	FRW 000
10/03/2020	AR Sales 221CP	ARNOV23,390	24/03/2020 PAR	Motor vehicle	21CPARNO3,000
NOV2022ICP	ARN VAT 22ICP	ARNOV202610°	ARNOV2022ICPAF	Balance c/d 202	21CPARNO1,000

RNOV2022ICPAI<mark>F103</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC<mark>Page 11/0f21</mark>CPARNOV2022IC RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARN

RNOV20	22ICPARNOV2022ICPARN	OV2022ICP Sales acco	untarnov202	2ICPARNOV2	022ICPARNOV2022I
$\mathbf{Dr}^{\vee 20}$	DZZICPARNO V 2022 I CPARN	OV2022ICPARNOV202.	Crarnov202	2ICPARNOV2)221CPARNO V202210
RNOV20	2Details 10V2022ICPARN	FRW 000 RNO V 202	Date NOV202	Details 1/2	FRW 000 V2022I
RNOV20	Balance c/d O22ICPARN	3,390 CPARNOV202	10/03/2020	Cash NOV2	3,390 RNOV202210
RNOV20	22ICPARNO V 2022ICPARN 22ICPARNO V 2022ICPARN	OV20221CPARNOV202.	ZICPARNO V 202	ZICPARNOV2	1221CPARNO V 202210 1221CPARNO V 202210

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV23,280?arnov2022ICPARNOV2022ICPARNOV2022I3,28010V2022ICPARNOV2022IC

ICPARNOV2022IC

RNOV2022ICPAI	RNOV202	21CPARNOV20221CPARN	Trade payable	S account vacas	ICPARNOV20	22ICPARNOV2022I
RNOV2022ICPAI RNOV2022ICPAI	UDFV202	ZICPARNO V 2022ICPARN	IOV20 22ICPARNO V202	2ICPARNOV2022	ICPARNOV20	221CPARNOV20221 221CPARNOV2 (2 2 1
RNOV2022ICPAI	Date	Details	FRW 000	Date	Details	FRW 000
RNOV2022ICPAI	RNOV202	Balance c/d	0V2(8,000 ARNOV202	28/03/2020	Purchase	221CP 8,000 V20221
RNOV2022ICPAI	NOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV202	2ICPARNOV2022	CPARNOV20	22ICPARNOV2022I

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RNOV2022ICPARNOV2022ICPARNOV2022ICPARNov2022ICPARNov2022ICPARNOV2022ICPARNOV2022ICPARNOV2

rnov20221cparnov20221cparnov20221cparnov2**8,000**parnov20221cparnov20221cparnov20221c**8,000**ov20221cparnov20221c

AI	RNOV2022ICPAR	NOV2022IC	PARNOV2022ICPARNO	V2022ICPARNOV	2022ICPARNOV20	22ICPARNOV2022IC
\I	RNOV2022ICPAR	NOV2022IC	PARNOV2022 Electric	ity account NOV	2022ICPARNOV20	22ICPARNOV2022I
\I	Drv2022ICPAR	NOV2022IC	PARNOV2022ICPARNO	V2022ICPARNOV	2022ICPARNOV20	22ICPARNOV2 Cr I
/I	Date O22ICPAR	Details	FRW 000 LICPARNO	Date CPARNOV	Details NOV20	FRW 000 20221
/I	N20/03/2020	Bank 2210	PARN 500 2022ICPARNO	V2022ICPARNOV	Balance c/d 20	22ICP 500 OV2022I
/I	CNOV2022ICPAR	NOV2022IC	PARNO V 2022 I CPARNO	V2022ICPARNOV	2022ICPARNO V 202	221CPARNO V 202210
I	NOV2022ICPAR	NOV2022IC	PARNOV2022ICPARNO	V2022ICPARNOV	2022ICPARNOV20	22ICPARNOV2022IC

rnov20221cparnov20221cparnov20221cpar500v20221cparnov20221cparnov20221cparnov20221c500nov20221cparnov20221c

NOV2022ICPA	RNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV202	2ICPARNOV2022 ount	ICPARNOV20	22ICPARNOV202
NOV2022ICPA	R Dr v2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I					
NOV2022ICPA	Date	Details	FRW 000	Date	Details	FRW 000
NOV2022ICPA	RNOV202	Balance c/d 221CPARN	0V2(5,000 ARNOV202	202/03/2020 22	Bank OV20	21CP 5,000 V202
NOV2022ICPA	RNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV202	2ICPARNOV2022	CPARNOV202	22ICPARNOV202
NOV2022ICPA	RNOV202	2ICPARNOV2022ICPARN	OV2022ICPARNOV202	2ICPARNOV2022	CPARNOV202	22ICPARNOV2022

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022<u>ICPARNOV2022ICPARNOV2022I</u>CPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV2022ICPARN<u>OV2**5,000** PARNOV202</u>ICPARNOV2022ICPARNOV2022IC 5,000

2ICP/	R'Drv2022ICPAR	RNOV2022ICPAI	RNOV2022ICPARNOV	V2022ICPARNO	V2022ICPARNOV20	22ICPARNOV2 Cr i
022ICP	Date 0221CPAR	Details CPAI	FRW 000 RNO	V ²⁰² Date	Details	FRW 000 2022
20221CPA	28/03/2020	Bank 22ICPAI	rnov2 400 parnov	V2022ICPARNO V2022ICPARNO	Balance c/d	2ICP400 OV2022I
V2022ICPA	RNOV2022ICPAR	NOV2022ICPAI	RNOV2022ICPARNOV	V2022ICPARNO	V2022ICPARNOV20	22ICPARNOV2022I

 $RNOV2022ICPAI_{\overline{F1.3}}V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPAR$

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV

RNOV2022ICPAI	RNOV2022ICPAR	NOV2022ICPARN	OV20 Motor Vehicle	account	OV2022ICPARNOV202	22ICPARNOV2022I	CPARNOV2022IC
RNOV2022ICPAI	Dr.	NOV2022ICPARN	OV2022ICPARNOV202	ZICPARNO	JV2022ICPARNOV20	ZZICPARNOVZI <mark>C</mark> T	CPARNOV2022IC
RNOV2022ICPAI	Date 022ICPAR	Details CPARN	FRW 000 RNOV202	Date	Details PARNOV 202	FRW 000 20221	CPARNOV 2022IC
RNOV2022ICPAI	24/03/2020	Cash ²² ICPARN	OV20 3,000 ARNOV202	2ICPARNO	Balance c/d V20	21CP3,000V2022I	CPARNOV2022IC
RNOV2022ICPAI RNOV2022ICPAI	knov2022ICPAR Rnov2022ICPAR	NOV2022ICPARN NOV2022ICPARN	ov2022icparnov202 ov2022icparnov202	21CPARNO 21CPARNO) v 20221cparno v 202) v 20221cparno v 202	21CPARNOV202210 22ICPARNOV202210	CPARNOV2022IC CPARNOV2022IC

J V .3,000 PAKNO V 2022I CPAKNO V 2022I CPAKNO V 2022I C 3,000 O V 20	DV :3,000 PA	RNOV2022ICPARNOV2022ICPARNOV2022	21C 3,000 0V2
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rnov20221cpai**QUESTION THREE** 21cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221c

RNOV2022ICPAL Marking Guide

RNOV2022ICPATa) Computation of Net Realizable value RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAR inov2022ICPARNO v2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	Marks for each	Marks	CPARNOV2022IC CPARNOV2022IC
RNOV2022ICPAI Computation of Net realizable value 10	A mark for each correct figure including	RNOV202 4 I	CPARNOV2022IC
of inventory RNOV2022ICPARNOV2022IC	Habil V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I	RNOV2022I	CPARNOV2022IC

RNOV2022ICPAI**b) Computation of inventory to be considered in financial statements**NOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNov2022ICPARNov2022ICPARNOV2022ICPARNOV2022ICPARN

RNOV 2022 ICPARNO V 2	Marks
NRV of defective goods PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP	ARNOV2¶2 5 I
NRV of Raw materials CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I	ARNOV29251
Value of inventory to be recognized in financial statement OV2022ICPARNOV2022ICP	ARNOV202 1 I

c) i) Computation of Gain/loss on disposal and currying amount of the assets

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	ARNMarks
C <mark>rost</mark> 2022 ICPARNO V 2022 ICPARNO	PARNOV20.5
Depreciations for 2 years and 5 Months (0.5 for depreciation of each year) V2022IC	PARNOV2022
Carrying amount as at 20 Sept 2018 21CPARNOV20221CPARNOV20221CPARNOV20221C	PARNOV2021
Gain on disposal	ARNOV2022

RNOV2022ICPAR)ii) PPE movement schedule NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICP

RNOV2022ICPA RNOV2022ICPA	(NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	V20221CPAFRW 000	CPARNO V 2022IC CPARNO V 2022IC
RNOV2022ICPA	0.5 marks for each captured cost at start of the year ICPARNOV2022ICPARNO	V2022ICPARNOV202 2 I	CPARNOV2022IC
RNOV2022ICPA	0.5 marks for posted additional asset ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPARNOV2025I	CPARNOV2022IC
RNOV2022ICPA RNOV2022ICPA	1 mark for posted disposal RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V 2022ICIARNO V 2022I V 2022ICPARNO V 2022I	CPARNO V 2022IC CPARNO V 2022IC
RNOV2022ICPA	0.5 marks for each posted accumulated depreciation CPARNOV2022ICPARNO	V2022ICPARNOV2 1 2 5 10	CPARNOV2022IC
RNOV2022ICPA	0.5 for each computed charge for the year	V2022ICPARNOV2025I	CPARNOV2022IC
RNOV2022ICIA	0.5 for each correct Carrying amount as at 31 May 2019 RNOV2022 ICPARNO	V2022ICPARNOV2 1 2 5 10	CPARNOV2022IC

F1.3²⁰²²1CPARNOV2022

Model Answer

a) Computation of net realizable value

RNOV2022ICPARNOV2022ICPARNOV2022ICPAI	NOV2022ICPA frw''000 ''F	ARNOV2022IC FRW''000'' !I
Selling Price NOV2022ICPARNOV2022ICPAR	CNOV 2022I CPARNOV 2022I CF	ARNOV ZUZZICPARNO 4,800
Commission Cost 4,400*10% OV2022ICPAI	nov20221cparnov20 <mark>480</mark> f	ARNOV2022ICPARNOV2022I
Repairing Cost 5,000*5% ARNOV2022ICPAI	NOV2022ICPARNOV20 250 F	ARNOV2022ICPARNO(730)
Net Realizable Value ICPARNOV2022ICPAI	(NOV2022ICPARNOV2022ICI RNOV2022ICPARNOV2022ICF	ARNOV2022ICPARNO 4,070

- b) Computation of inventory value to report in financial statement
- i. Cost of defective goods was FRW 600,000

Net Realizable Value of spare parts=FRW 650,000-FRW 250,000=FRW 400,000

Since cost is high than NRV, the value to be considered is NRV of FRW 400,000

ii. Cost of raw materials sold subsequent to the year-end was FRW 500,000

NRV=FRW 750,000-FRW 100,000=FRW 650,000 21CPARNOV20221CPARNO

The lowest between cost and net realizable value would be considered, hence, FRW 500,000

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022	ICPARNOV2 FRW!'000' ''	2022IC FRW''000'' !I
Finished goods	ICPARNOV2022ICPARNOV	30,000
Repaired goods 0V2022ICPARNOV2022ICPARNOV2022	ICPA PNOV20221650-250	2022ICPARNOV 400 I
Raw materials NOV2022ICPARNOV2022ICPARNOV2022	ICPARNOV2022ICPARNOV	2022ICPARNOV 300 I
TOVA 1/221CPARNO V20221CPARNO V20221CPARNO V2022 NOV20221CPARNO V20221CPARNO V20221CPARNO V2022	ICPARNOV 2022 I CPARNOV ICPARNOV 2022 I CPARNOV	2022ICPARN 30,900

- c) Computation of carrying value of disposed assets and gain/loss on Disposal
- i. Carrying amount of disposed assets

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	FRW 000	FRW 000
Equipment ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	v 2022ICPARNO V 20. v 2022ICPARNO V 20.	221CPARNOV 2022 221CPARNOV 2022
${ m Cost}$ 022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	2022ICPARNOV20	221CPARNO 8,000
Accumulated depreciation until disposal for previous two years (From 01 May 2016 to 30 April 2018): 8,000*25%*2	2022ICPA (4,000)	221CPARNOV2022 221CPARNOV2022 221CPARNOV2022
Depreciation for 5 Moths from 1 May 2018 to 30 Sept 2018: +8,000*25%*5/12	2022ICPARI(833) 2022ICPARNOV20	22ICPARNOV2022 22ICPARNOV2022
(Total depreciation 2022ICPARNOV2022ICPARNOV2022ICPARNOV	2022ICPARNOV20	22ICPARN(4,833)
Carrying amount as at 20 Sept 2018 21CPARNOV20221CPARNOV	2022ICPARNOV20	^{21CPARNO} 3,167
Proceed from disposal ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNOV20	2ICPARNO 5,000
Gain on disposal (5,000-3,167) V2022ICPARNOV2022ICPARNOV	2022ICPARNOV20	221CPARNO1,833

F1.3² 20221CPARNO v 20221CPA

RNOV2022ICPAI**Disposed plant**vov2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	022ICPARNOV2022	ICPARNOV2022IG	CPARNOV2022IC
RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	1022ICP FRW 000 2	CPARNO FRW IO	CPARNOV2022IC
RNOV2022ICPAR	Proceed from disposal PARNOV2022ICPARNOV2022ICPARNOV2	022ICPARNOV2022	CPARN19,8001	CPARNOV2022IC
RNOV2022ICPAR RNOV2022ICPAR	OST 0221CPARNO V 20221CPARNO V	20,000	CPARNOV2022IO	CPARNOV2022IC
RNOV2022ICPAR	Depreciation for one Month (1 June 2018 to 30 June 2018)	0221CPARN((417))2	CPARNOV2022I	CPARNOV2022IC
RNOV2022ICPAR	20,000*25%*1/12 ²⁰²² ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022	CPARNOV2022IO	CPARNOV2022IC
RNOV2022ICPAR RNOV2022ICPAR	Carrying amount as at disposal date	10221CPARNOV2022 10221CPARNOV2022	(19,583)	CPARNOV2022IC
RNOV2022ICPAR	Gain on disposal V2022ICPARNOV2022ICPARNOV2022ICPARNOV2	022ICPARNOV2022	CPARNOV 217 10	CPARNOV2022IC
RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2	2022ICPARNOV2022	ICPARNOV2022IO	CPARNOV2022IC

ii. Property plant and equipment movement schedule as at 31 May 2019 NOV20221CPARNO V20221CPARNO V20221CPARNO

RNOV2022ICPAI RNOV2022ICPAI	knov2022ICPARNOV2022ICPARNOV2022ICI knov2022ICPARNOV2022ICPARNOV2022ICI	ALand/2022 ARNOV2022	Building/2022IC ICPARNOV2022IC	Equipme 2	Plant and 221 Machinery
RNOV2022ICPAI RNOV2022ICPAI	KNOV2022ICPARNOV2022ICPARNOV2022ICI KNOV2022ICPARNOV2022ICPARNOV2022ICI	FRW 000	FRW 000	FRW 000	CPARNOV2022I CPARNOV2022I
RNOV2022ICPAI	Balance at start of year (Cost) OV2022ICI	AR50,000	ICPARN 200,000	PAR 45,000	CPARN 30,000
RNOV2022ICPAI	Additional PARNO V2022ICPARNO V2022ICI	ARNOV202	ZICPARNOV2022IC	PARNOV2022	CPARN 20,000
RNOV2022ICPAI RNOV2022ICPAI	Disposal CPARNOV2022ICPARNOV2022ICI	ARNOV202 Parnov202	HCPARNOV2022IC 2ICPARNOV2022IC	(8,000)	(20,000)
RNOV2022ICPAI	RNOV2022ICPARNOV2022ICPARNOV2022ICI	AR 50,000 2	EICPARN 200,000	PARN 37,000 2	CPARN30,000I
RNOV2022ICPAI Rnov2022ICPAI	Depreciation NOV2022ICPARNOV2022ICI	ARNOV202. Parnov202.	ZICPARNOV2022IC ZICPARNOV2022IC	PARNOV2022 Parnov2022	CPARNOV2022I CPARNOV2022I
RNOV2022ICPAI	Balance at start of year CPARNOV2022ICI	ARNOV2 0 22	HCPARNO 50,000	PARN (4,0002)	CPARN12,000I
RNOV2022ICPAI	Charge for the year	ARNOV202	10,000	10,083	^{CPARNO} 7,917
RNOV2022ICPAI	Disposal CPARNOV2022ICPARNOV2022ICI	$_{\rm ARNOV202}$	2ICPARNOV2022	PAR (4,833)	CPARNO (417)
RNOV2022ICPAI RNOV2022ICPAI	Accumulated depreciation as at 31 May 2019	ARNOV202	ICPARNO 60,000 ICPARNO V 2022 IC	9,250 PARNO 222	CPARN 19,500 CPARNO V2022I
RNOV2022ICPAI	Carrying amount as at 31 May 2019	50,000	140,000	27,750	CPARN 10,500

RNOV2022ICPAIDED PROCESS CONTROL OF THE YEAR PROCESS CONTR

 $_{\text{RNOV2022ICPA}}$ Building: 200,000*5% = 10,000 $_{\text{V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV$

RNOV2022ICPA Equipment

RNOV20221CPA	R N a nyana atoma kana wana a a kata ka ka waka waka waka waka ka ka waka a ka waka ka ka ka ka ka ka ka ka ka k	Wanaalopa R MOWanaalo
RNOV2022ICPAI	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPA FRW 000 I
RNOV2022ICPA	Cost-022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPARN 45,000 II
RNOV2022ICPAI RNOV2022ICPAI	Disposal CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202IC	(8,000)
RNOV2022ICPAI	Cost of remaining equipment/IOV2022ICPARNOV2022ICPARNOV2022ICPARNO	V2022ICPARN 37,000 10
RNOV2022ICPAI	Rate 0221CPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICP	V2022ICPARNO\25%I
RNOV2022ICPAI	Depreciation for the year PARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV2	$V_{2022ICPARNO}^{2022ICPARNO}$
RNOV2022ICPA	Depreciation of disposed assets pro-rated time before disposal	V2022ICPARNOV 833 IO
RNOV2022ICPAI	8,000*25%*5/12V2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICP	V2022ICPARNOV2022I

RNOV2022ICPAI<mark>F103</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPageN1576f-21

J	But depreciation of deposed asset would be FRW 4,833 as computed in c)	V2022ICPARNOV2022I	
I	i) above icha provincia pr	V2022ICPARNOV2022I	
I	Total charge for the year PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARN10,08310	

Plant and machinery

NOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV	022ICPA FRW 000 I
Cost 2022ICPARNO V 2022ICPARNO	0221CPAR 30,000
Additional PARNOV 2022 ICPARNOV 2022 ICPARNO	022ICPARN 20,000 I
Disposal CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	(20,000)
Cost of remaining assets PARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	022ICPARN 30,000
Rate 022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	0221CPARNOV 25% I
Depreciation 30,000*25% ARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	7,500
Depreciation Nof 2 disposed assets opporated 22 time Nbefore 1 disposal	0221CPARNOV 417 1
C20,000*25%*1/12 ^{20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV}	2022ICPARNOV2022I
Total charge for the year RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	0221CPARNO 7,917

QUESTION FOUR

20221CPAI**Marking|Guide**OV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202	Marks
Explanation of direct method 1 mark ICPARNOV2022ICPARNOV2022ICPARNOV202	2 ICPARNOV $\frac{2}{2}$ 0
Explanation of indirect method 1 mark PARNOV2022ICPARNOV2022ICPARNOV202	2ICPARNOV20
1 Mark for each point provided to contrast direct method from indirect method	221CPARNOV30
(Maximum 3 marks)221CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202	2ICPARNOV20
1 mark for each correct line shown in the cash flow excluding totals and	21CPARNO120
subtotal (if figure in the face of cash flow is wrong, award mark to the	21CPARNOV20 21CPARNOV20
workings) Parnov20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV202	22ICPARNOV20
1 Mark for correct cash out/inflow for each activity of 3 activities CPARNOV20.	22ICPARNOV30
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022 Total Marks	21CPARNO 20

Model Answer

2022ICPA a) Method of preparing Cash flow statement is: V2022ICPARNOV2022ICPARNOV2022ICPARNOV202

Direct method: This applies only major classes of gross cash receipts and gross cash payments are disclosed

Indirect method: Under this method, profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts RNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV

F1.3²⁰²²ICPARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPA

RNOV2022ICPA	Direct Method OV2022ICPARNOV2	022 Indirect Method RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPA	Gross receipt and payment are	Profit before tax is adjusted for non-cash transaction PARNOV2022IC
RNOV2022ICPA	matched CPARNOV2022ICPARNOV20	022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPA	It is simple and easy 22ICPARNOV2	It is a bit complex as it requires adjustment of profit PARNOV2022IC
RNOV20221CPA	ARNO V 2022 I CPARNO V 2022 I CPARNO V 20 ARNO V 2022 I CPARNO V 2022 I CPARNO V 20	021
RNOV2022ICPA	the method details all expense 0 120	12 It does not show all expenditures as the operating costs 221 PARNOV202210
RNOV2022ICPA	incurred using cash 0221CPARNOV20	are covered in profit before tax ARNOV2022ICPARNOV2022II PARNOV2022I
RNOV2022ICPA RNOV2022ICPA	It does not show net effect of	It shows net effect of working paper V20221CPARNOV20221 PARNOV20221C
RNOV2022ICPA	working capital OV2022ICPARNOV2	021ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPA	ARNOV2022ICPARNOV2022ICPARNOV2	022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPA c) Sumsom Trading Ltd's statement of cash flow for the year ended 31 March 2019 OV2022ICPARNOV2022IC

by Sumbout 11 admig Eta Sumonion of Subit 1291, 101 and	WYZUZZICIAKNU YZUZZICIAKNU
NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022I FRW O
Net Profit Before Tax	0 V 2022I CPARNO V 2022I CPARNO
Add/less adjustments 21CPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Depreciation RNO V2022ICPARNO V2022ICPARNO V2022ICPARN	OV2022ICPARNOV2022ICPARNO
Gain on disposal W2	OV2022ICPARNOV2022ICPARN
Operating Cash flow before Working Capital V2022ICPARN	OV2022ICPARNOV2022ICPARNO
Change in Working Capital NOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Increase in inventory 18,000-20,000	OV 2022I CPARNO V 2022I CPARNY OV 2022I CPARNO V 2022I CPARNY
Decrease in trade receivable NOV20 45,000-35,000 21CPARN	OV2022ICPARNOV2022ICPARNO
Decrease in trade payables 60,530-59,330	OV2022ICPARNOV2022ICPARNO
Tax paid CPARNOV2022ICPARNOV20W5 PARNOV2022ICPARN	OV 2022ICPARNOV 2022ICPARNO OV 2022ICPARNOV 2022ICPARNO
Net cash flow from operating activity ARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Cash flow from investing activity	OV2022ICPARNOV2022ICPARNO
Acquisition of PPE 0221CPARNOV20W1CPARNOV20221CPARN	OV2022ICPARNOV2022ICPAR(30
Disposal of PPE V2022ICPARNOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Net cash flow from investing activity PARNOVADAL CHARN	OV2022ICPARNOV2022ICPAR OV2022ICPARNOV2022ICPAR
Cash flow from Financing Activity ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Bank loan received 2275,000-68,000 PARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Issue of shares OV2022ICIW3 NOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Dividend PaidNOV2022ICPW4NOV2022ICPARNOV2022ICPARN	OV2022ICPARNOV2022ICPARNO
Net Cash flow from Financing Activity	OV2022ICPARNOV2022ICPARN2
Net Cash and Cash equivalent for the year V2022ICPARN	OV2022ICPARNOV2022ICPARNO
Cash and Cash Equivalent at start of the year 221CPARN	OV2022ICPARNOV2022ICPARM
Cash and Cash Equivalent at End of the year	UV2022ICPARNOV2022ICPARN

RNOV2022ICPAI<mark>F103</mark>V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC**Page 17 of 21**CPARNOV2022IC RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20

Working one NOV)221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV2	022IC
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RNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNO	PE ^{221CPARNOV20221CPARNOV202}	2ICPARNOV2022I
Potails 21 CPARNO V 2022 I CPAR	FRW 000	Details PARNOV 2022 ICPARNOV 202	FRW 000
Bal b/d ^{2ICPARNOV2022ICPAR}	NOV2022I 45,000	Disposal 15,000-5,000 V202	21CPARN 10,000
Acquisition of PPE by cash	NOV20221 30,298	Depreciation V2022ICPARNOV202	21CPARNOV 298
RNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNO	Bal c/dARNOV2022ICPARNOV202	21CPARN 650001
9 79 79	Bal b/d ² ICPARNO V2022ICPAR	Details FRW 000 Bal b/d 45,000	Bal b/d Disposal 15,000-5,000 Acquisition of PPE by cash 30,298 Depreciation

rnov20221cpai**Working two**rnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparnov20221cparno

RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPA $_{\mathbf{FRW}}$ $_{000}$ ICPARNOV2022
RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022
RNOV2022ICPAR	$ ext{Cost}$ of disposed asset $ ext{icparnov20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV202221CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021CPARNOV2021C$
RNOV2022ICPAR	$ exttt{Depreciation}$ RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO $ exttt{5,000}$ ICPARNOV2022ICPARNOV202ICPAR
RNOV2022ICPAR	Net book value
RNOV2022ICPAR	NO V 2022ICPARNO V 2022
RNOV2022ICPAR	Proceed from disposal $_{ m ICPARNOV2022ICPARNOV202ICPARNOV2022ICPARNOV202$
RNOV2022ICPAR	$ m Gain^{0}$ 0221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNO $ m 2,000$ ICPARNOV2022
RNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022

RNOV2022ICPAF**Working three**/10/V2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPShare ca	pital ARNO V2022ICPARNO V2022ICPARNO V2022ICPARNO V2022IC
RNO V 2022 I CPAR ano V 2022 I CPARNO V 2022 I CPARANO V 2022 I CPARNO V 20 RNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I CPARNO V 20	Bal b/d share capital NOV20221CP110,0000221CPARNOV20221C
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	Bal b/d share Premium OV2022ICPAR1,100022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	$_2$ Cash issue/2022ICPARNOV2022ICPA $20,\!200$ 022ICPARNOV2022IC
RNOV2022ICPAR Bal c/d share capital 22ICPARNOV2022130,000 V20	22ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	221CPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

RNOV2022ICPA Working four

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I**Retained earning** NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC

 $_{
m RNOV2022ICPAR}$ Bal c/d share premium $_{
m ICPARNOV2022}$ 1,300 $_{
m NOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202I$

Dividend paid	Bal b/d ICPARNOV2022ICPARNOV2022ICPARNO 3,000 ICPARNOV2022IC
ar Bal c/d21Cparnov20221Cparnov2023,680r	Profit for the year 2022 ICPARNOV 2022 ICPARNOV 980 ICPARNOV 2022 ICPARN

RNOV2022ICPA Working five

RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNO ${f r_{ax}}$	221CPARNOV20221CPARNOV20221CPARNOV20221
RNOV2022ICPAR Tax paid RNOV2022ICPAR Tax paid CPARNOV2022ICPARNOV200PARNOV20	Bal b/d _{10V20221CPARNOV2022} 370 RNOV20221
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	2 P/L darnov20221cparnov2022 420 .rnov202216
RNOV2022ICPAR <mark>Bal/c/d</mark> 2ICPARNOV2022ICPARNOV2690CPARNOV20	221CPARNOV20221CPARNOV20221CPARNOV20221
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20 RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV20	221CPARNOV20221CPARNOV20221CPARNOV20221 221CPARNOV20221CPARNOV20221CPARNOV20221

RNOV2022ICPAPp103/2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I Page 18 of 21 RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV

OUESTION FIVE

Marking Guide

NOV2022	Marks for each Arnov 2022 ICPARNOV 2022 ICPA
5) a) 02	1 Mark for each correct definition OV2022ICPARNOV2022ICPARNOV2022ICPARNOV2024
5) b)	Distinguish adjusting and non-adjusting event RNOV2022ICPARNOV2022ICI ARNOV20 2
NOV2022 NOV2022	1 mark for example of non-adjusting events PARNOV2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202
(5) (c) ₀₂₂	0.5 Mark for each correct line shown in the statement of affairs except _{21CF} arnov ₂₀₂ 3 for totals and subtotals ^{2022ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPARNOV202ICPAR}
NOV2022 NOV2022 NOV2022	1 Mark for each correct line shown in the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of income and expenditure except for totals and subtotals open over the statement of the
N.B ²⁰²² NOV2022 NOV2022	If figure included in statement of income and expense is wrong, consider to award marks on the related working
Total 22	CPARNOV2022ICPARNOV202IC

Model answer

a)

- i.) **Non exchange transaction**: is one in which one party receives something of value without directly giving value in exchange. Example: taxes etc.
- ii.) Exchange Transaction: are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in the exchange. Example: revenue from tourism
- iii.) **Income**: Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants
- iv.) **Assets:** is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.
- b) **Adjusting events** occur when information is received after the reporting date gives more evidence about a condition that already existed at the reporting date, while **non-adjusting events** are those which occur after the reporting date and, although significant, do not normally give evidence of a condition existing at the balance sheet date.

When adjusting events is identified, financial statements are adjusted to portrait the effect of those events while non-adjusting events should be disclosed only

Examples of Non-Adjusting Events:

- 1) Major fire after the reporting date that destroys a substantial asset
- 2) Major acquisition or disposal
- 3) Changes in tax rates or tax laws

p103/2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022I(page 10/of 7)

- 4) Large falls in asset values or big foreign exchange losses
- 5) Announcing a major restructuring after reporting date
- 6) Major ordinary share transactions

Examples of Adjusting Events: V2022ICPARNOV

- (1)Court case decided on after end of financial period
- (2) Evidence of impairment of assets bankruptcy of a major customer
- (3)Discovery of fraud or errors that show the financial statements were incorrect
- (4)Sale of inventories at prices suggesting the need to reduce the figure in the Statement of Financial Position to the net value actually realized
- (5)Bankruptcy of a major customer 022ICPARNOV202

c) Statement affair of KRC as at 01 January 2020

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2 FRW''000' 'V	2022IC FRW''000''
Non-Current Assets	NOV2022ICPARNOV	2022ICPARNOV2022 2022ICPARNOV2022
Land and Building-Currying Value 221CPARNOV20221CPAR	NOV2022ICI 56,000 /	2022ICPARNOV2022
Furniture and Equipment-Currying Value RNOV20221CPAF	NOV2022ICI10,000	2022ICPARNOV2022
Total Non-Current Assets NOV20221CPARNOV20221CPAR	(nov20221cparnov Nov20221cparnov	2022ICPARN 66,000
Current (Assets) V2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV	2022ICPARNOV2022
Cash at Bank	10,500	2022ICPARNOV2022
Unpaid Member's Contribution V2022ICPARNOV2022ICPAR	NOV2022ICP/ 5,000	2022ICPARNOV2022
Pre-paid Rent NOV2022ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICP4 6,000 /	2022ICPARNOV2022
Non-Current Assets 21CPARNOV20221CPARNOV20221CPAR	NOV2022ICPARNOV	21,500
Total Assets RNO V2022ICPARNO V2022ICPARNO V2022ICPAR	NOV2022ICPARNOV	2022ICPARN 87,500
Liabilities ARNO V2022ICPARNO V202ICPARNO V2	NOV2022ICPARNOV	2022ICPARNOV2022
Unpaid office stationaries PARNOV2022ICPARNOV2022ICPAR	NOV20221CPARNOV NOV20221CPARNOV	2022ICPARNO 3,000
Accumulated Fund 22ICPARNOV2022ICPARNOV2022ICPAR	NOV2022ICPARNOV	2022ICPARN 84,500
	NICIAL DA DISCIAL	THE THE DA DISTRICT OF

Income and expenditure account for the year ended 31 December 2020

NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	ARNOV FRW''000''	V2022IC FRW''000'' I
Income Income ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	TARNOV 2022 I CPARNO PARNOV 2022 I CPARNO	v 20221CPARNO V 20221 V 20221CPARNO V 20221
Grant and donation2022ICPARNOV2022ICPARNOV2022IC	TARNOV20221(50,000)	V2022ICPARNOV2022I
Member contribution W5	16,500	V2022ICPARNOV2022I
Total IncomeNOV2022ICPARNOV2022ICPARNOV2022IC	PARNOV2022ICPARNO	v2022ICPARN 66,500
Expenditures NOV2022ICPARNOV2022ICPARNOV2022IC	PARNOV2022ICPARNO	V2022ICPARNOV2022
Office stationery V20221CPARNOV20221 W4	4,000 4,000	V 2022ICPARNO V 2022 V 2022ICPARNO V 2022
Communication expenses ARNOV2022ICPARNOV2022IC	TARNOV2022ICI 3,000)	V2022ICPARNOV2022
Light and power V2022ICPARNOV2022ICPARNOV2022IC	TARNOV2022IC1,500	V2022ICPARNOV2022I
Fuel expenses NOV2022ICPARNOV2022ICPARNOV2022IC	JARNOV2022IC 2,000	V 2022ICPARNO V 2022I V 2022ICPARNO V 2022I
Rent 0221CPARNO V20221CPARNO V W3 ICPARNO V20221C	TARNOV20221(114,000)	V2022ICPARNOV2022

F1.3² 20221CPARNO v 20221CPA

RNOV2022ICPA	Depreciation of equipment RNOV20W1PARNOV2022ICI	ARNOV2022ICI 2,000)	V2022ICPARNOV2022I	CPARNOV2022I
RNOV2022ICPA	Depreciation of building W2	6,000	V 2022ICPARNO V 2022I0 V 2022ICPA RNO V 2022I	CPARNOV2022I
RNOV2022ICPA	Total Expenditure 0221CPARNOV20221CPARNOV20221CF	ARNOV2022ICPARNO	/2022ICPARN 29,500 I	CPARNOV2022I
RNOV2022ICPA	Excess of expenditure over income CPARNOV20221CI	ARNOV2022ICPARNO	V2022ICPARN37,000I	CPARNOV2022I
RNOV2022ICPA	Excess of expenditure over income Charlot 20221C1	ARNOV2022ICPARNO	V2022ICPARNOV2022I	CPARN

RNOV2022ICPAI**Workings**:Parnov2022ICParnov2022ICParnov2022ICParnov2022ICParnov2022ICParnov2022ICParnov2022ICParnov

${ m RNOV2022ICPAIW1:}$ Depreciation of Equipment ${ m ^{2022ICPARNOV202ICPARNOV202IC$

W1: Depreciation of Equipment	TDA DNIOWAGARICHA DI	NOV2022TCDA DNOV2022TCDA DNOV2022TCDA DNOV2022TC
RNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I C RNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I C	Equipment a/c	NOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022IC NOV 2022ICPARNOV 2022ICPARNOV 2022ICPARNOV 2022IC
rnov20221cpar Bal b/d 21cparnov20221cparnov20221c	CPARNO 10,000 CPAR	Depreciation (balance) PARNO 2,000 CPARNO V 2022 IC
RNOV2022ICPAR Addition CPARNOV2022ICPARNOV2022IC	CPARNO6,000 ICPAR	Balance c/dRNOV2022ICPARN14,000 CPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	CPARN 016,000 CPARN	IOV2022ICPARNOV2022ICP <mark>arnq6,000</mark> ICPARNOV2022IC
RNOV2022ICPAR $\overset{\cdot}{W2}\overset{\cdot}{:}$ V2022ICPARNOV2022ICPARNOV2022IC	CPARNOV2022ICPAR	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	Building a/c	NOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC
RNO V 2022 I CPAR <u>NO V 2022 I CPARNO V 2022 I CPARNO V 2022 I C</u> RNO V 2022 I CPAR Bal'b/d 21 CPARNO V 2022 I CPARNO V 2022 I C		<u>NOV20221CPARNOV20221CPARNOV20221C</u> PARNOV20221C Depreciation (balance) PARNO 6,000 CPARNOV20221C
		1
RNO V 2022 I CPAR Addition CPARNO V 2022 I CPARNO V 2022 I C RNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I CPARNO V 2022 I C	OD A DATA LINGUISTING DA	Balance c/dARNOV2022ICPARN50,000ICPARNOV2022IC
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022IC	56,000 F	NOV 20221CPAKNOV 20221CPAKN 56,000 ICPAKNOV 202210 NOV 20221CPARNOV 20221CPARNOV 20221CPARNOV 202210

RNOV20221CPAF**W3:**/20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

inno vzuzzierakno vzuzzierakno vzuzzie rent expense a/c ano vzuzzierakno vzuzierakno vzuzzierakno vzuzierakno vzuzierakno					
Payment Parnoval Charles 12,000	Prepaid bal c/d	7,000			
Prepaid bal b/d 6,000	Rent consumed (balance)	11,000			
arnov2022icparnov2022icparnov2022icparnov18,000	ARNOV2022ICPARNOV2022ICPAI	RN18,000			

RNOV2022ICPAR <mark>wa</mark> . 22022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNO)V2022ICPAR1	NOV2022ICPARN	OV2022ICPAF	RNOV2022IC	
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNC)V2022ICPARN	NOV2022ICPARN	OV2022ICPAF	RNOV2022IC	
KNO VZUZZICI AI <mark>KNO V ZUZZICI AKNO VZUZZICI AKNO V</mark> ZUZZICI AKNO	ributions RNC)V2022ICPARN	NOV2022ICPARN	OV2022ICPAF	RNOV2022IC	
RNOV20221CPARN Arrears bal b/d 0V20221CPARNOV20221CPARNOV	V2022IC 5,000 C)V Bank CPARN	NOV2022ICPA 15 ,(0002022ICPAF	RNOV2022IC	
RNOV2022ICPAR Contribution for the year (balancing figure)	V2022 16,500	Arrears bal	Nc/d2022ICPA16,5	0020221CPAF	RNOV2022IC	
DATOMA O O O O DATOMA O O O O O O O O O O O O O O O O O O	21,500 PARNO	V2022ICPARN	21,500	OV2022ICPAF	RNOV2022IC	
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNO	V2022ICPARN	NOV2022ICPARN	OV2022ICPAF	RNOV2022IC	
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV	V2022ICPARNO)V2022ICPARN	NOV2022ICPARN	OV2022ICPAF	RNOV2022IC	
rnov20221cparnov20221cparnov20221cparnov20221c Stationaries a/c rnov20221cparnov20221cparnov20221cparnov20221c						
RNOV2022ICPAR Bank (payment) V2022ICPARNOV2022ICI5,000	Arrears bal b	b/d022ICPARN	NOV2022ICPARN	0 3,000 ICPAF	RNOV2022IC	
RNOV2022ICPAR\Arrears bal c/d\0\V2022ICPAR\0\V2022ICI2,000\	Stationaries	s consumed	(balance) PARN	04,000 CPA	RNOV2022IC	
RNOV2022ICPARNOV2022ICPARNOV2022ICPARNOV202ZICP7,000	V2022ICPARNO)V2022ICPARN	NOV2022ICPARN	7,000 CPAR	RNOV2022IC	
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RNOV20221CPAF**W5:**/20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221CPARNOV20221C

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RNOV2022ICPARTOV202ICPARTOV2	5,000	Bank	15,000		
Contribution for the year (balancing figure)	16,500	Arrears bal c/d	6,500 C		
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