



ELIZADE UNIVERSITY,

FACULTY: HUMANITY & MANAGEMENT SCIENCES

DEPARTMENT:

.....2ND.....SEMESTER EXAMINATIONS

.....2013/2014.....ACADEMIC SESSION

COURSE CODE: ACC 202

COURSE TITLE: Financial Accounting II

DURATION: 2 (TWO) HOURS

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HOD's SIGNATURE

INSTRUCTION: Answer any four questions only

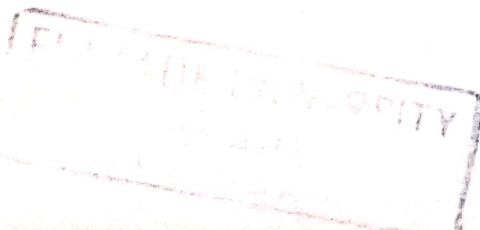
- (1) (A) Define partnership as defined in the Partnership Act 1890 and by Sir Fredrick Pollock
(B) Distinguish Partnership and a Social Club.
(C) State the four ways by which partnership is different from a Joint Venture.
(D) Distinguish between a General Partner and Limited Partner.
- (2) Bean, Gonne and Dunit are partners who share profits and losses equally. After realization of the assets upon dissolution of the partnership, the position was as follows:

CAPITAL ACCOUNTS	N	K
Bean	8000.00	CR
Gonne	5000.00	CR
Dunit	3500.00	DR
Cash at Bank	6500.00	CR

Dunit had no financial resources.

You are required to show the entries necessary to close the above accounts of the partnership

- (3) The partnership A, B and C came to an end on 31st December 2013, the capital of A was N5000.00 and N4000.00 while C account was over drawn to the extent of N500.00 and he had no outside means. Profit and Losses were shared in the proportion of A $\frac{1}{2}$, B $\frac{1}{3}$, AND C $\frac{1}{6}$, Their assets amounted to N8870.00, and their liabilities to N370.00. Business was sold for N10000.00.



Required:

Show the partner's accounts after the sale had been effected.

(4) Consider the following statements:

- (A) Goodwill is a fictitious asset and should be written off as quickly as possible?
- (B) Goodwill should be carefully evaluated at the end of each accounting period so that the Balance Sheet can be made realistic as possible.

Required:

- (a) Define Goodwill, and discuss what you consider to be the purpose of accounting for Goodwill
- (b) Evaluate and discuss the above mentioned statements.

(5) Stannard and Sykes Ltd are contractors for the constructions of a warehouse for Dangote Nig. Ltd. The value of the contract is N300000.00 and payment is by Engineers Certificate and subject to retention of 10% of the amount certified. This is to be held by Dangote Nig Ltd for six months after the completion of the contract.

The following information is extracted from the records of Dangote Nig Ltd

Wages on Site	N41,260.00
Materials delivered to site by supplier	N58966.00
Materials delivered to site from store	N10,180.00
Hire of plant	N21,030.00
Expenses charged to contract	N3065.00
Over heads charged to contract	N8330.00
Materials on site as at 30 th November 2013	N11660.00
Work certified by Engineers.	N135,000.00
Payment received in respect of contract	N135,000.00
Work in progress at cost (not the subject of a certificate to date)	N12613.00
Wages accrued to 30 th November 2013	N2826.00

Required:

- (A) Prepare Dangote's contract Account as at 30 November 2013 and suggest a method by which profit could be estimated prudently.
- (B) Okafor and Okorafor enter a joint venture to share profits or losses equally resulting from dealings in second hand digital Televisions. Both parties take an active part in business and each recording his own transactions. They have no joint banking account or separate set of books. The following transactions took place:

2013	Jan 1	Okafor bought Televisions for a total sum of N1100.00
	Jan 2	Okafor paid for repairs N84.00
	Jan 4	Okafor paid office rent N300.00 and advertising expenses N90.00.
	Jan 6	Okorafor paid for packing materials worth N34.00
	Jan 7	Okorafor bought a television in excellent condition for N600.00
	Jan 31	Okafor sold the 5 Televisions to various customers, the sales being completed on that date On that date and totaling N3100.00

Required:

- (a) Show the relevant accounts in the books of both joint ventures.
- (b) Prepare a Memorandum Joint venture Account as at that date.