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SCHOOL:STRONG TOWER ACADEMY

SUBJECT: FINANCIAL ACCOUNTING

CLASS: SSS3

SS3 PRACTICE QUESTION

INSTRUCTION: Answer ALL questions

1. Ademola Limited is a manufacturing company; the following balances were extracted from her records on 31st December, 2014.

₦

STOCK ON 1/1/2014:

Raw materials 56,000

Work-in-progress 60,000

Finished goods 80,000

Purchases of raw materials 150,000

Carriage of raw materials 7500

Manufacturing wages paid 16,600

Factory wages accrued 4000

Direct factory expenses 11,400

Fuel for factory equipment 15,000

Depreciation of factory equipment 12,000

Sales of finished goods 500,000

Carriage outwards 7600

General office expenses 3800

Office salaries 19,200

STOCK ON 31/12/2014:

Raw materials 40,000

Work-in-progress 64,000

Finished goods 72,000

Additional information:

Goods manufactured were transferred to sales department at cost plus 10%

You are required to prepare Manufacturing, Trading and profit and loss account for the year ended 31st December, 2014.

2.The following balances have been extracted from the books of Onireke Publishers

	₦
January 2014: Sales ledger balance	96,000
January 2014: Purchases ledger balance	160,000
Credit Purchases	1,600,000
Credit sales	4,000,000
Cash and cheques from customers	2,320,000
Cheques paid to suppliers	1,200,000
Return Outwards journal	24,000
Return inwards journal	40,000
Discount allowed	44,000
Discount received	1680
Bad debts written off	1200
Balance set-off	8000
Petty cash to suppliers	16,000
Bills receivable	1280
Bills payable	2520
Discount allowed now disallowed	240
Service charges added to unpaid accounts	832
Credit notes issued to customers	39,440
Balance at 31st December 2014:	
Purchases ledger	24,000 Dr
Sales ledger	400,000 Cr

You are required to prepare:

[a] Total Debtors Account [b] Total Creditors Account

3. The following information relates to the books of accounts of Ayoodolapo ltd

**TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST
DECEMBER, 2018**

	₦		₦
Opening stock	20,000	Sales	240,000
Add purchase	<u>160,000</u>		
	180,000		
Less closing stock	36,000		
Cost of goods sold	144,000		
Gross profit	<u>96,000</u>		
	<u>240,000</u>		
Selling and distribution expenses	73,200		
Administrative expenses	14,800		
Net profit	<u>8000</u>		
	<u>96,000</u>		
		Gross profit b/d	<u>96,000</u>
			<u>96,000</u>

BALANCE SHEET AS AT 31ST DECEMBER 2018

	N	N		N	N
Share capital			Fixed assets at cost		125,000
Ordinary shares		100,000	Less depreciation		<u>25,000</u>
Preference shares		10,000			100,000
Preference shares			<u>Current assets</u>		
General reserve	24,000		Stock	36,000	
Profit and loss account 8000		<u>32,000</u>	Debtors	39,000	
		142,000	Cash and bank	<u>7000</u>	82,000
<u>Current liabilities</u>					
Trade creditors	28,000				
Accruals	12,000	<u>40,000</u>			
		<u>182,000</u>			<u>182,000</u>

You are required to calculate any six of the following

- [a] Gross profit percentage
- [b] Net profit percentage
- [c] Return on capital employed
- [d] Current ratio
- [e] Acid test ratio
- [f] Rate of stock turnover
- [g] Working capital
- [h] Liquid assets