



CERTIFIED ACCOUNTING TECHNICIAN LEVEL 2 EXAMINATIONS

L2.1: FINANCIAL ACCOUNTING

FRIDAY: 09 JUNE 2017

INSTRUCTIONS:

- 1. **Time Allowed: 3 hours 15 minutes** (15 minutes reading and 3 hours writing).
- 2. This examination has two sections; A & B.
- 3. Section (A) has one compulsory question while Section (B) has four(4) questions, three(3) to be attempted.
- 4. Marks allocated to each question are shown at the end of the question.
- 5. Show all your workings.
- 6. Any assumptions made must be clearly and concisely stated.
- 7. All iCPAR Examination rules and regulations apply.

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SECTION (A)

This section has one compulsory question

QUESTION ONE

(a) Users of financial information make different types of economic decisions based on the financial reports published by an entity.

REQUIRED:

- (i) Explain why accountants need to abide by ethical principles in the process of preparing financial reports. (3 Marks)
- (ii) PARTIC Explain four components of financial statements. (CPARTICPAR
- (iii) Identify four users of financial information and explain their information needs. (4 Marks)
- (b) The International Accounting Standards Board's conceptual framework for financial reporting recognises a number of methods that can be used in determining the monetary amounts at which elements of financial statements are carried in the statement of profit or loss and statement of financial position.

REQUIRED:

Explain the:

- (i) Four measurement bases that are used in recognition of non-current assets as per the conceptual framework. (6 Marks)
- (ii) Advantages of recognising non-current assets at historical cost. (3 Marks)
- (c) Distinguish between the direct and indirect methods of presenting cash flows from operating activities as provided by IAS 7: Statement of Cash Flows. (4 Marks)
- (d) Kibungo Ltd is wholesaler/ distributor of household items for the last three years located in the East province. Their financial statements for the year ended 31 December, 2016 are as given below:

Statement of Profit or Loss

	Frw '000'
Sales cpar icpar icpar icpar i	850,000
Cost of sales icpar icpar i	(400,000)
Gross profit	450,000
Distribution costs	(125,000)
Administration costs	(145,000)
Operating profit	180,000
Finance costs	(14,700)
Profit before tax	165,300
Tax icpar icpar icpar icpar i	(49,590)
Profit for the period	115,710

Statement of Financial Position as at 31, December:

	R iCPAR iCPAR iCPAR iCP20	16AR iCPAR iCPAR iCPAR iC	AR iCPAR iCPAR iCPAR 201	5 CPAR iCPAR iCPAR iC
Non-current assets: CPAR ICPAR ICPA	RICPARICFTW '000'R	CPAR ICPAFrw '000'C	AR ICPAIFTW '000' P	FICPAR Frw '000'
Property pant equipment at cost	RICPARICP800,000 AR	iCPAR iCPAR iCPAR iCPAR iC	AR ICPAR 643,000 ICP	R iCPAR iCPAR iCPAR iC
Accumulated depreciation PARICPA	(100,500) AR	CPAR ICPAR 699,500 IC	AR ICPAR (82,540)	SICPAR (560,460)
Current assets: ICPAR ICPAR ICPAR	R iCPAR iCPAR iCPAR iCPAR	iCPAR iCPAR iCPAR iCPAR iC	AR iCPAR iCPAR iCPAR iCPAR	R iCPAR iCPAR iCPAR iC
Inventory AR ICPAR ICPAR ICPAR ICPAR ICPAR	r icpar icpal 90,500 ar	iCPAR iCPAR iCPAR iCPAR iCI	AR ICPAR IC 65,540 ICP	R iCPAR iCPAR iCPAR iC
Accounts receivable	RICPAR ICP 120,400 AR	iCPAR iCPAR iCPAR iCPAR iC	AR ICPAR 154,500 CP	R iCPAR iCPAR iCPAR iC
Short-term investments	RICPARICP180,000 AR	iCPAR iCPAR iCPAR iCPAR iC	AR iCPAR iCPAR iCPA	R iCPAR iCPAR iCPAR iC
Cash at hand PAR ICPAR ICPAR ICPAR	RICPARICPA 50,500 AR	CPAR ICPA 441,400	AR ICPAR IC 35,560 ICP	255,600
Total assets CPAR ICPAR ICPAR ICPAR	R iCPAR iCPAR iCPAR iCPAR	CPAR ICP <u>1,140,900</u> IC	AR iCPAR iCPAR iCPAR iCPAR	816,060
Equity and Liabilities:	R iCPAR iCPAR iCPAR iCPAR	iCPAR iCPAR iCPAR iCPAR iC	AR iCPAR iCPAR iCPAR iCPAR	R iCPAR iCPAR iCPAR iC
Equity and reserves:	R iCPAR iCPAR iCPAR iCPAR	iCPAR iCPAR iCPAR iCPAR iC	AR iCPAR iCPAR iCPAR iCPAR	R iCPAR iCPAR iCPAR iC
Share capital PAR ICPAR ICPAR ICPAR	RICPARICP 700,000 AR	iCPAR iCPAR iCPAR iCPAR iCI	AR ICPAR 550,000 ICP	R iCPAR iCPAR iCPAR iC
Share premium ICPAR ICPAR ICPAR ICPA	r icpar icp100,000 ar	iCPAR iCPAR iCPAR iCPAR iC	AR ICPAR IC 80,000 ICP	R ICPAR ICPAR ICPAR IC
Revaluation reserve	r icpar icpal 90,000 ar	iCPAR iCPAR iCPAR iCPAR iCI	AR ICPAR IC 70,000 ICP	R iCPAR iCPAR iCPAR iC R iCPAR iCPAR iCPAR iC
Retained earnings	ricparicpa 85,000 ar	CPAR ICPAR 975,000 IC	ar icpar ic23,500 icp	RICPARIC 723,500
Non-Current Liabilities: AND COM	R ICPAR ICPAR ICPAR	iCPAR iCPAR iCPAR iCPAR iCI	AR ICPAR ICPAR ICPAR ICPAR	R ICPAR ICPAR ICPAR IC
15% bank loan	R ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR	CPAR ICPAR IC98,000 IC	AR ICPAR ICPAR ICPAR	RICPARICP45,000
Current liabilities: ICPAR ICPAR	R ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR	ICPAR ICPAR ICPAR ICPAR ICI ICPAR ICPAR ICPAR ICPAR ICI	AR ICPAR ICPAR ICPAR	R ICPAR ICPAR ICPAR IC
Trade payables	ricparicpa 20,756 ar	ICPAR ICPAR ICPAR ICPAR ICI ICPAR ICPAR ICPAR ICPAR ICI	ar icpar ic 15,500 cp	R ICPAR ICPAR ICPAR IC R ICPAR ICPAR ICPAR IC
Tax payable CPAR ICPAR ICPAR ICPAR	ricpar icpai10,760 ar	ICPAR ICPAR ICPAR ICPAR ICI	ar icpar icp/8,500 icp	R ICPAR ICPAR IC R ICPAR ICPAR ICPAR IC
Interest payable CPARICPARICPARICPA	r icpar icpar i5,200 ar	ICPAR ICPAR ICPAR ICPAR ICI ICPAR ICPAR ICPAR ICPAR ICI	ar icpar icp/4,900 icp	R ICPAR ICPAR ICPAR IC
Bank overdraft CPAR CPAR CPAR CPA	R ICPAR ICPA 31,184 AR	CPAR ICPAR (67,900 IC	AR ICPAR IC18,660 CP	1 CPAR 10 47,560
Total Equity and Liabilities	R ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR	<u>1,140,900</u>	AK ICPAR ICPAR ICPAR AR ICPAR ICPAR ICPAR ICPAI	<u>816,060</u>

Additional information:

- 1. Par to During the year dividends of Frw 54,210,000 were paid.
- 2. Non-current assets costing Frw 75,000,000 were disposed of at Frw 40,000,000. Total depreciation at the time of disposal amounted to Frw 40,000,000.
- 3. There was a share issue during the year and all shareholders paid cash.

REQUIRED:

- (i) Prepare a statement of cash flows for Kibungo Ltd for the year ended 31 December, 2016 using the indirect method in accordance with IAS 7. (14 Marks)
- (ii) Using information from the statement of cash flows in (d) (i) above, write a brief commentary on the cash position of Kibungo Ltd. (2 Marks)

(Total: 40 Marks)

SECTION (B)

Attempt three questions in this section.

QUESTION TWO

Kibeho Ltd is a company supplying building materials in the South province. The company's latest financial performance and financial position details are as given below:

Statement of Profit or Loss for the year ended 31 December:

iCPAR	2016	2015
iCPAR	Frw '000'	Frw '000'
Revenue PAR ICPAR	1,487,500	1,387,400
Cost of sales	(700,000)	(875,000)
Gross profit	787,500	512,400
Operating expenses	(472,500)	(204,500)
Operating profit	315,000	307,900
Finance costs PAR ICPAR IC	(25,725)	(19,765)
Profit before tax	289,275	288,135
Taxicpar icpar icpar icpar ic	AR (86,783)	(85,441)
Profit for the period	202,492	<u>202,694</u>

Statement of financial position as at 31 December:

	R iCPAR iCPAR iCF 2016 R iCPAR		R ICPAR ICPAR ICP2015 R ICPAR ICPAR I	
Non-current assets	Frw '000'	Frw '000'	Frw '000'	Frw '000'
Property pant equipment	PAR iCPAR iCPAR iCPAR	1,224,125	AR iCPAR iCPAR iCPAR	980,805
Current assets: CPAR CPAR ICPAR ICPA	PAR iCPAR iCPAR iCPAR	iCPAR iCPAR iCPAR iCF	AR iCPAR iCPAR iCPAR	CPAR iCPAR iCPAR
Inventory AR ICPAR	315,875	iCPAR iCPAR iCPAR iCR	114,695	CPAR iCPAR iCPAR
Trade receivables ARGUARIGANIC	210,700	iCPAR iCPAR iCPAR iCF	270,375	CPAR iCPAR iCPAR
Cash at bank and at hand	88,375	614,950	62,230	447,300
Total assets CPAR CPAR CPAR CPAR CPAR CPAR CPAR CPAR	PAR iCPAR iCPAR iCPAR	1,839,075	PAR iCPAR iCPAR iCPAR	1,428,105
Equity and liabilities: RICPARIC	PAR iCPAR iCPAR iCPAR	iCPAR	PAR iCPAR iCPAR iCPAR	CPAR iCPAR iCPAR
Ordinary share capital ARIOPARIO	1,225,000	iCPAR iCPAR iCPAR iCP	1,022,770	CPAR ICPAR ICPAR
Share premium ICPAR ICPAR ICPAR IC	175,000	iCPAR iCPAR iCPAR iCF	202,230	CPAR ICPAR ICPAR
Retained earnings PAR ICPAR IC	148,750	1,548,750	R ICPA 41,125 AR	1,266,125
Non-current liabilities: ICPARIC	PAR ICPAR ICPAR ICPAR	iCPAR iCPAR iCPAR iCF	PAR iCPAR iCPAR iCPAR	CPAR ICPAR ICPAR
15% bank loan ricparicparicparic	PAR ICPAR ICPAR ICPAR PAR ICPAR ICPAR ICPAR	171,500	AR ICPAR ICPAR ICPAR PAR ICPAR ICPAR ICPAR	78,750
Current liabilities: CPAR CPAR C	PAR ICPAR ICPAR ICPAR	iCPAR iCPAR iCPAR iCF	AR iCPAR iCPAR iCPAR	CPAR iCPAR iCPAR
Trade payables CPAR CPAR CPAR CPAR CPAR CPAR CPAR CPAR	36,323	iCPAR iCPAR iCPAR iCF	27,125	CPAR ICPAR ICPAR
Tax outstanding CPAR CPAR CPAR C	27,930	iCPAR iCPAR iCPAR iCF	23,450	CPAR ICPAR ICPAR
Expenses payable	54,572	118,825	32,655	83,230
Total equity and liabilities	PAR ICPAR ICPAR ICPAR PAR ICPAR ICPAR ICPAR	1,839,075	AR ICPAR ICPAR ICPAR PAR ICPAR ICPAR ICPAR	1,428,105

Construction industry performance during the year ended 31 December, 2016:

CPAR iCPAR iCPAR iCPAR iCPAR iCPAR	iCPAR iCPAR iCPA
Gross profit margin	50%
Operating profit margin	30%
Return on capital employed	18%
Current ratio CPAR ICPAR ICPAR ICPAR	5 times
Acid test ratio	2.8 times
Inventory holding days R ICPAR	50 days
Debtors collection period CPAR	40 days
Creditors payment period PAR	45 days
Interest coverpar icpar icpar icpar	15 times
Gearing ratio par icpar icpar icpar	30%
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Additional information:

- 1. The purchases for the years ended 31 December, 2016 and 31 December, 2015 were Frw 901,180,000 and Frw 864,695,000 respectively.
- 2. Assume that all sales and purchases were on credit.

REQUIRED:

(a) Compute for each of the two years the following ratios:

CPAR_{i} CPAR_{i}	Gross profit margin	(1 Mark)
ci(ii)cpai	Operating profit margin	(1 Mark)
c (iii) pai	Return on capital employed	(1 Mark)
(iv)	r i par i coar i co R Current ratio par i coar	(1 Mark)
$c(\mathbf{v})$ cpai	Acid test ratio	(1 Mark)
(vi)	Inventory holding days	(1 Mark)
(vii)	Debtors collection period	(1 Mark)
(viii)	Creditors payment period	(1 Mark)
(ix)	Interest cover PAR ICPAR	(1 Mark)
$(x)^{CPAI}$	Gearing ratio par icpar	(1 Mark)

(b) As the accountant of Kibeho Ltd, write a report to the managing director analysing the performance of the company in 2016 in relation to the previous year and industry performance. (10 Marks)

(Total 20 Marks)

QUESTION THREE

(a) Explain the accounting records that are supposed to be kept by a company as required by the Law relating to companies of 2009. (2 Marks)

(b) Keza & Safi Enterprises Limited produces yoghurt in Nyarugenge district. For the year ended 31 December, 2015 they had the following trial balance.

R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	ar icpa Dr. ar icpa	R iCPAR Crar iCPA
R iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR	Frw '000'	Frw '000'
Share capital CPAR CPAR CPAR CPAR CPAR CPAR CPAR CPAR	AR iCPAR iCPAR iCPAI	156,000
Goodwill icpar icpar icpar icpar icpar icpar icpar icp	4,600	R iCPAR iCPAR iCPA
Accounts receivable Accounts	3,000	R iCPAR iCPAR iCPAR
Accounts payable CPAR ICPAR ICPAR ICPAR ICPAR ICPAR	AR ICPAR ICPAR ICPAI	1,200
Land & buildings at cost	150,000	R iCPAR iCPAR iCPA
Furniture & fittings PAR ICPAR ICPAR ICPAR ICPAR	8,000	R iCPAR iCPAR iCPA
Retained earnings CPAR ICPAR ICPAR ICPAR ICPAR	AR ICPAR ICPAR ICPAI AR ICPAR ICPAR ICPAI	28,350
4 Motor vehicles RECPAR ICPAR ICPAR ICPAR ICPAR	40,000	R iCPAR iCPAR iCPAR
Investments ar icpar icpar icpar icpar icpar icpar icpar	25,000	R iCPAR iCPAR iCPAR
Purchases of raw materials OPARICE	2,000	R iCPAR iCPAR iCPA
Return outwards of raw materials	AR ICPAR ICPAR ICPA AR ICPAR ICPAR ICPA	icpar ic 200
Direct labour icpar icpar icpar icpar icpar icpar icp	ricparicp750	R ICPAR ICPAR ICPAR
Manufacturing expenses	r icpar icp650°4	R ICPAR ICPAR ICPAR
Return inwards PAR ICPAR ICPAR ICPAR ICPAR ICP	r icpar icpa 80 A	R ICPAR ICPAR ICPA R ICPAR ICPAR ICPA
Discounts received on raw materials	AR ICPAR ICPAR ICPAI AR ICPAR ICPAR ICPAI	100 icpar icpar
Discounts allowed PARICPARICPARICP	ar icpar icpai 50°A	R ICPAR ICPAR ICPA R ICPAR ICPAR ICPA
Carriage inwards	500	R ICPAR ICPAR ICPA R ICPAR ICPAR ICPA
Carriage outwards CPAR ICPAR ICPAR ICPAR	ricparic 160	CICPAR ICPAR ICPA R ICPAR ICPAR ICPA
Sales icpar	AR ICPAR ICPAR ICPA AR ICPAR ICPAR ICPAL	44,000
Inventory 1 January 2015: CPAR ICPAR ICPAR	AR ICPAR ICPAR ICPA AR ICPAR ICPAR ICPAR	R ICPAR ICPAR ICPA R ICPAR ICPAR ICPA
Raw materials	3,500	R ICPAR ICPAR ICPA R ICPAR ICPAR ICPA

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R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	icpar icpar Dr. r icpar	iCPAR iCPAR
R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	Frw '000'	Frw '000'
Work in progress	1,120	iCPAR iCPAR iCPAF iCPAR iCPAR iCPAF
Finished goods	2,350	iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR
Commissions	330	240
Utilities CPAR CPAR CPAR CPAR CPAR CPAR CPAR	450	iCPAR iCPAR iCPAR
Repairs of factory machines	600	iCPAR iCPAR iCPAR
Salaries & wages	1,950	iCPAR iCPAR iCPAR
10% debentures	iCPAR iCPAR iCPAR iCPAR	15,000
R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	<u>245,090</u>	245,090

Additional information:

1. Inventory on 31 December, 2015 was as follows:

R iCPAR iCPAR iCPAR iCPAR iC R iCPAR iCPAR iCPAR iCPAR iC	PAR ICPAR ICFrw
Raw materials	1,200,000
Work in progress	800,000
Finished goods	3,000,000

- 2. Frw 550,000 of raw materials in the closing inventory was expired and could not be used in production These have not yet been accounted for.
- 3. Salaries Frw 820,000 were accrued and utilities Frw 400,000 were prepaid.
- 4. AR ICPA The cost of land was Frw 50,000,000.
- 5. Are used for administrative work.

6. The following expenses are to be apportioned as follows:

R iCPAR iCPA	Factory Factory	Administrative	Selling & distribution
Salaries CPAR CPAR CPAR C	50%	iCPAR iCPAR iCP-25% CPAR iC	RICPARICPARICPARICPARICPARICPARICPARICPA
Utilities CPAR CPAR CPAR CPAR	80%	iCPAR iCPAR iCP 20% R iCPAR iC	R iCPAR iCPA
Depreciation: CPAR ICPAR ICPAR ICPAR	AR ICPAR ICPAR ICPAR ICPAR	iCPAR	R iCPAR iCPA
Buildings ar icpar icpar ic	RICPARIO 50%	icpar icpar ic12.5% icpar ic	R ICPAR ICPAR ICPAR ICPAR ICPAR ICP R ICPAR ICPA
Furniture & fittings	R ICPAR ICPA25%R ICPAI	iCPAR iCPAR iCPA75%R iCPAR iC	ir icpar icpar icpar icpar icpar icp ar icp ir icpar icpar icpar icpar icpar icpar icp

- 7. 80% of manufacturing expenses are direct expenses.
- 8. The investments earned interest of Frw 250,000.
- 9. Interest on debentures remained outstanding.
 - 10. It is company policy to depreciate non-current assets at 5% per annum on reducing balance.

REQUIRED:

Prepare, for Keza & Safi Enterprises Limited for the year ended 31 December 2015, a:

(i) Statement of Manufacturing cost

(8 Marks)

(ii) Statement of Profit or Loss.

(10 Marks)

(Total: 20 Marks)

QUESTION FOUR

(a) A company bought machinery from Karongi Ltd at Frw 275,000,000. The accountant is contemplating whether to use straight line or reducing balance in depreciating the machinery.

 $_{1}$ r icpar icp

REQUIRED:

Explain the:

- (i) Difference between straight line method and reducing balance method of depreciation.(2 Marks)
- (ii) Circumstances when it is suitable to depreciate an asset using straight line method and reducing balance method. (2 Marks)
- (iii) Consistency concept and its application in depreciation of assets, clearly bringing out why consistency is emphasised in accounting for depreciation. (3 Marks)
- (b) The following transactions relate to the acquisition of land and construction of a shopping mall by Muhanga Properties Ltd for the year ended 31 December, 2015.

Details ar icpar i	Frw '000'
Purchase price of land icparicparicparicparicparicparicparicpar	56,000
Fees for title verification in the relevant ministry (CPAR ICPAR I	1,000
Legal fees for title transfer CPAR CPAR CPAR CPAR CPAR CPAR CPAR CPAR	2,500
Brokerage fees par icpar	4,650
Surveying fees	4,500
Cost of cutting crown grass and pruning palm trees	PAR ICPAR IC 500
Cost of constructing the shopping mall (materials, labour, overheads)	225,000
Architect's fees for the design of the shopping mall	8,000
Building permit from the local authorities	PAR ICPAR 575
Company sign writing at the entrance of the property	PAR ICPAR 200
Cost of opening facility Cost of opening facility Cost of opening facility	12,000

Additional information:

Muhanga Properties Ltd paid brokerage fees to MM Ltd for identifying the seller of the land.

REQUIRED:

Determine the:

(i) Cost of land and buildings.

(4 Marks)

- (ii) Costs to be recognised as revenue expenses for the year ended 31 December, 2015.(2 Marks)
- (c) Rulindo Ltd purchased construction equipment on 4 January, 2013 at a cost of Frw 112,500,000 with an expected useful life of 10 years. Rulindo Ltd's policy is to depreciate equipment at 10% on reducing balance. On 2 January, 2016 the company decided to contact the authorised supplier who accepted to exchange the old equipment at an agreed value of Frw 76,500,000. Rulindo Ltd topped up cash Frw 55,500,000 to get the latest model of the equipment. The new asset is being depreciated basing on the company's policy.

REQUIRED:

Determine the:

(i) PAR Net book value and accumulated depreciation of the disposed asset. (CPAR (CP

(ii) PAR Gain or loss on disposal. OPAR ICPAR IC

(1 Mark)

(iii) Carrying amount of the new asset after one year.

(2 Marks)

(Total: 20 Marks)

QUESTION FIVE:

- (a) With reference to non-profit making organisations, explain what is meant by 'ordinary subscription' and 'life subscriptions', clearly bringing out the treatment of life subscriptions. (4 Marks)
- (b) Kamonyi Welfare Club offers body fitness services to its members. It also operates a canteen where members obtain refreshments and other items. The following are the assets and liabilities of the club as at 1 January, 2016:

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R ICPAR ICPA	PAR ICPAR ICPAR ICER ICP PAR ICPAR ICPAR ICE
Gym equipment	80,000000
Inventory AR ICPAR ICPAR ICPAR ICPAR	5,250,500
Subscriptions in arrears	420,000
Subscriptions in advance	300,000
Accounts receivable	PAR ICPAR 2,560,000
Accounts payable PARICPARICPARIC	PAR ICPAR 6,540,300
Prepaid rent iCPAR	PAR ICPAR 2,500,000
Accrued utilities ICPAR ICPAR ICPAR I	PAR ICPAR ICP532,000

The club's receipts and payments for the year ended 31 December, 2016 were as follows:

Receipts CPAR iCPAR iCPA	R ICPAR FRW ICPAR	Payments CPAR CPAR CPAR CPAR	CPAR i Frw PAR i
Subscriptions CPAR ICPAR ICPAR ICPAR ICPAR ICPAR	25,000,000	balance b/ d	400,000
Receipts from credit customers	6,250,000	Payments to credit suppliers	9,600,000
Rally collections CPAR CPAR ICPAR ICPAR	5,750,245	Car washing expenses	1,202,000
Donations PAR ICPAR ICPAR ICPAR ICPAR ICPAR	12,300,000	Rent PAR iCPAR iCPAR iCPAR iCPAR iCPAR	5,500,000
Car washing revenue CPAR ICPAR ICPAR	15,222,000	Utilities CPAR (CPAR (CPAR (CPAR (CPAR	750,000
R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	AR ICPAR ICPAR ICPAR AR ICPAR ICPAR ICPAR	Stationery Richaricparicparicparic	460,000
R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR R ICPAR	AR ICPAR ICPAR ICPAR AR ICPAR ICPAR ICPAR	Salaries PARICIANICIANICIANICIANICIANICIANICIANICI	4,800,000
R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR R ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR ICPAR	AR ICPAR ICPAR ICPAR AR ICPAR ICPAR ICPAR	Balance c/d cpar icpar icpar icpar	41,810,245
CICAR ICPAR	64,522,245	iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR iCPAR i iCPAR iCPAR iCPA	64,522,245

Additional information:

1. Balances 31 December, 2016:

	R ICPAR ICP
Accounts receivable	1,850,000
Accounts payable	2,300,00
Inventory PAR ICPAR ICPA	650,000
Subscriptions in advance	680,000
Subscriptions in arrears	400,000

- 2. Utilities Frw 400,000 and rent Frw 780,000 remained outstanding.
- 3. A canteen debtor of Frw 440,000 failed to pay and the debt was written off.
- 4. Payment of Frw 1,000,000 to canteen credit suppliers attracted a discount of Frw 100,000 which has not yet been accounted for.

REQUIRED:

Prepare for the year 2016

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(i) An opening statement of affairs.	(4 Marks)
(ii) Ordinary subscription account. CPAR ICPAR I	(3 Marks)
(iii) Accounts receivable account: ICPAR I	(2½ Marks)
(iv) Accounts payable account.	(2½ Marks)
(v) Rent account. Par icpar ic	(2 Marks)
(vi) Utilities account. CPAR ICPAR	iCPAR iCPA (2 Marks)
KTOPAK TOPAK T R TOPAK	(Total 20 Marks)

End of question paper