



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF THE BUILT ENVIRONMENT

DEPARTMENT OF PROPERTY STUDIES
AND URBAN DESIGN

PROPERTY ACCOUNTING
BLP 1201

SUPPLEMENTARY PAPER
AUGUST 2024

This examination paper consists of 3 pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements:

Examiner's Name: Mr P SIBANDA

INSTRUCTIONS

1. Answer question **ALL Four** questions
2. All workings must be shown
3. Do not open your answer sheet until told to do so
4. Marks will be awarded for skill in appreciating the scope of questions, clarity of argument and conciseness of presentation as well as for the knowledge displayed by the candidate

MARK ALLOCATION

QUESTION	MARKS
1.	25
2.	25
3.	25
4.	25
TOTAL	100

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QUESTION 1

The following trial balance was obtained from the books of SEEDAT Ltd at 31 December 2013:

	Debit \$	Credit \$
Ordinary Share Capital (\$1 shares fully paid)		30 000
Retained Income at 1 January 2013		12 900
6% Debentures		15 000
Freehold buildings at cost	80 000	
Purchases and Sales	91 000	165 000
Debtors and Creditors	8 900	7 400
Rent receivable		450
General salaries	18 000	
Rates and insurance	500	
Motor vehicle expenses	1 000	
Directors' salaries	19 000	
General expenses	2 500	
Motor vans at cost	5 200	
Provision for Depreciation on vans at 1 January 2013		3 000
Stocks at 1 January 2013	1 200	
Bank and cash	5 400	
Debenture interest	450	
Bad debts	600	
	<u>233 750</u>	<u>233 750</u>

The following information is also available:

1. Stocks at 31 December 2013 amounted to \$1 400.
2. General salaries unpaid at 31 December 2013 amounted to \$200.
3. Rent receivable due at 31 December 2013 was \$150.
4. Debenture interest for the 6 months to 31 December 2013, was owing.
5. Depreciation on motor vans is calculated at 25% per annum on cost.
6. The directors proposed to pay a dividend of \$3 000.
7. Corporate tax at 30% must be provided.

Required:

Prepare the following statements for ZULA ZULA Ltd, for the year ended 31 December 2013:

- a) Statement of Comprehensive Income, (11 marks)
- b) Statement of Changes in Equity, and (4 marks)
- c) Statement of Financial Position. (10 marks)

QUESTION 2

Discuss any **Five** accounting information users, explaining the information that is of interest to them from financial statements and how that information may be used.

[25 marks]

QUESTION 3

BOOZA Ltd is engaged in a contract to build an office block in export Processing Zone .The following information relates to the contract for the year ended 31 March 20x8

Contract Price	\$7 672 500
Direct Materials issued	\$1 361 250
Materials returned to stores	\$82 500
Direct labor paid	\$1 247 500
Direct labor accrued	\$346 500
Plant and Equipment at cost	\$ 1650 000
Direct expenses paid	\$ 560 400
Direct expenses accrued	\$148 500
Head Office admin charges (apportioned)	\$800 000
Work certified by Architect	\$4 300 000
Work not yet certified (at cost)	\$1 000 000
Value of Plant on 31/03/20x8	\$345 000
Value of Materials on 31/03/20x8	\$48 300
Cash received to date	\$3 150 00

REQUIRED

- Draw up the contract account for the year ended 31 .03 .20x 8
- Calculate the annual profit to be recognized in the statement of comprehensive Income for the current year, using the 2/3 Rule. [25 Marks]

QUESTION 4

- What do you understand about good `` quality `` information. Discuss any **Five** such qualities [15Marks]
- Define what accounting concepts are and discuss any **Five** accounting concepts. [10 Marks]