



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF THE BUILT ENVIRONMENT

DEPARTMENT OF PROPERTY STUDIES
AND URBAN DESIGN

PROPERTY ACCOUNTING
BLP 1201

FINAL EXAMINATION PAPER
OCTOBER 2024

This examination paper consists of 4 pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: Calculator, Ruler

Examiner's Name: Mr P SIBANDA

INSTRUCTIONS

1. Answer ALL 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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The following trial Balance has been extracted from the books of J Bell as at 31 December 20x9

Capital As 1 January 20x9		80,000
Drawings	11,000	
Sale		158,500
Returns	2,400	
Purchases	84,600	
Purchases Returns		1,100
Wages	29,600	
Salaries	14,300	
Bad debts	2,900	
Provision for Bad Debts	-	1,500
Debtors	23,900	
Creditors		23,100
Discount allowed	2,200	
Discount Received		1,400
Bills payable		11,800
Fehold Ware house	25,000	
Delivery Vans	12,500	
Carriage Inwards	3,100	
Carriage outwards	4,600	
Stock 1 January	31,000	
Office Furniture	4,800	

General Office Expenses	3,900	
Rates and Insurance	4,400	
Cash in Hand	700	
Cash at Bank	16,500	
	277,400	277,400

NOTES

- a) Stock as at 31 December 20x 9 is valued at \$39 500
- b) Allow depreciation as follows:
 Delivery Vans \$2000
 Office Furniture \$800
- c) Increase provision for Bad Debt \$2000.00
- d) Expenditure Accrued but not paid as at 31 December
 Wages \$ 700 and Salaries \$400
- e) Expenditure prepaid as at 31 December –Insurance \$200

Required

Prepare the following statements J Bell Ltd, for the year ended 31 December 20 x 9:

- 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

Given below are the summarized accounts of Mo Salah Ltd for two years:

	Mo Salah Ltd	
	<u>2018</u>	<u>2019</u>
	<u>\$000</u>	<u>\$000</u>
<u>Statements of Financial Position:</u>		
Non-current Assets		
Fixed assets (at net book value)	300	450
Current Assets		
Stocks	100	120
Debtors	40	60
Bank	<u>20</u>	<u>-</u>

	<u>460</u>	<u>630</u>
Equity and Liabilities		
Equity		
Share Capital	100	100
Retained profits	<u>190</u>	<u>220</u>
	290	320
Non-current Liabilities		
Long-term loans	120	200
Current Liabilities		
Creditors	50	60
Bank Overdraft	<u>-</u>	<u>50</u>
	<u>460</u>	<u>630</u>
Statements of Comprehensive Income:		
Sales	1 000	1 220
Cost of goods sold	490	710
Operating costs	450	460
Loan interest paid	15	20
Net reported profit	45	30

Required:

- a) Through ratio analysis, compare the management's performance over the two year period in relation to Profitability, Solvency and Efficiency. (19 marks)
- b) Explain the limitations of ratio analysis. (6 marks)

[25 marks]

QUESTION 3

Alexander Anorld 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	1,650,000
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	483,000
Cash received to date	3,150,000

REQUIRED

- Draw up the contract account for the year ended 31 .03 .20x 8 [12 Marks]
- Calculate the annual profit to be recognized in the statement of comprehensive Income for the current year, using the 2/3 Rule. [13 Marks]

QUESTION 4

Liverpool (Pvt) Ltd has written to you as a Senior Property Manager of Diego Jota to help them to answer the following question since you are a specialist in the area and have promised you that 'You Will Never Walk Alone Like'

- What do you understand about good 'Quality' information. List and discuss FIVE such qualities. [10 Marks]
- Define what accounting concepts are and discuss any SIX accounting concepts. [12 Marks]
- Differentiate between an Asset and a Liability [3Marks]