



08:30 – 11:30 AM

Names

Index number

TVET NATIONAL EXAMINATION, RTOF LEVEL 5, 2020-2021

QUESTIONS and ANSWERS BOOKLET

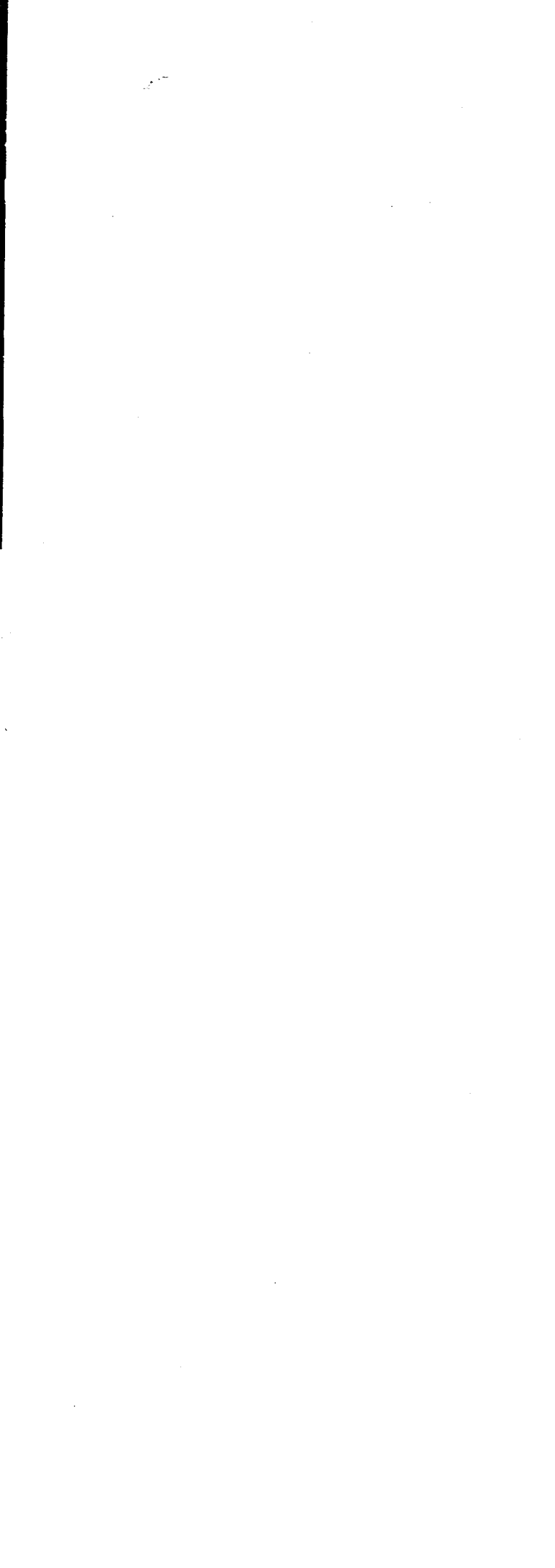
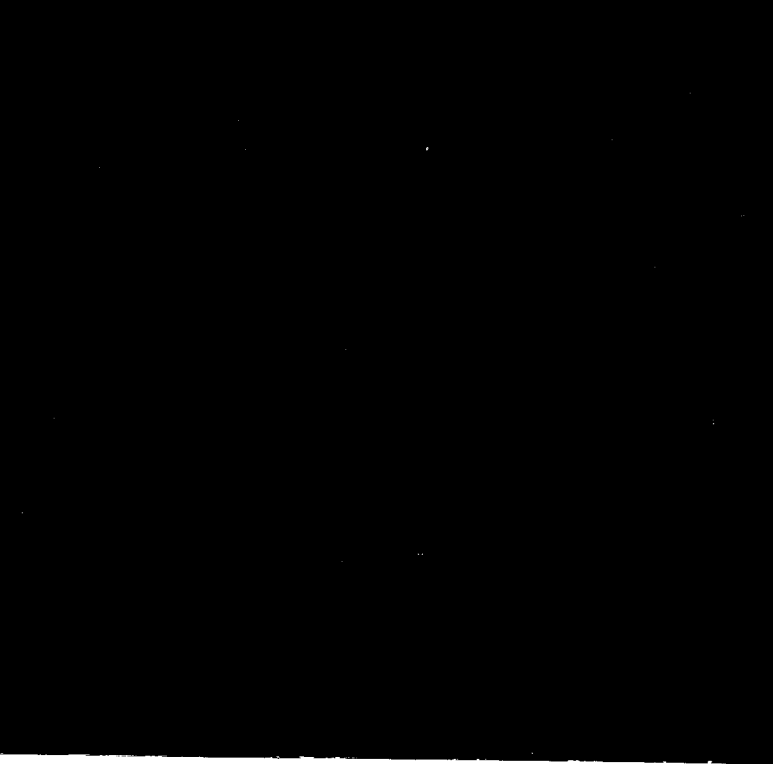
OPTION / TRADE: CUSTOMS AND TAX OPERATIONS

SUBJECT: Corporate Accounting

ACADEMIC YEAR: 2020-2021

1. Call the instructions on page (i) 8r (ii)

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TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

INSTRUCTIONS TO CANDIDATES: PART I (Answer Booklet)

1. A candidate should fill in the actual names and the index number on the cover of this questions and answer booklet on the provided place (Black Box).
2. It is illegal for a candidate to write any of his/her names, index number or a school name inside the answer booklet.
3. A candidate should check if all pages of the answer booklet are complete. No candidate should remove or tear any pages or part of it from the answer booklet.
4. A candidate should answer in the language in which the examination is set. (See page **(ii)**)
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 12 lined pages (From page 1 of 12 to page 12 of 12).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

OPTION/TRADE: CUSTOMS AND TAX OPERATIONS

SUBJECT: Corporate Accounting

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II (Question Paper)

The paper is composed of two (2) main Sections as follows:

Section I: Attempt all the Twelve (12) questions (60 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

Allowed materials:

- Ruler and square
- Calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

Section I: Attempt all the Twelve (12) questions

(60 marks)

- 01.** a) State two (2) ways in which a new partner passes through to join a partnership.
b) List three (3) sections for the statement of cash flows. **(5 marks)**
- 02.** a) Mention at least four (4) causes of dissolution of a partnership
b) State any three (3) importance of cash flow statements. **(5 marks)**
- 03.** DFXC Company Ltd issued 100,000 shares of Frw 1,000 each on 1st April, 2006.
The amount payable on these shares was as under:
Frw 200 per share on application; Frw 300 per share on allotment and Frw 500 per share on call.
Required:
Make journal entries and prepare relevant accounts in the books of company assuming all the money was received. **(5 marks)**
- 04.** a) Enumerate any four (4) contents of memorandum of association.
b) Mr. Kuzwa holding 100 shares of Frw 10 each has paid application money of Frw 2 per share and allotment money of Frw 3 per share, but has failed to pay the first call of Frw 2 per share and second call of Frw 3 per share. His shares were forfeited. Make the journal entry to record the forfeiture of shares. **(5 marks)**
- 05.** Write a short note on the following statements:
a) Shares issued at par **(2 marks)**
b) Shares issued at a premium **(2 marks)**
c) Shares issued at a discount **(1 mark)**
- 06.** a) Distinguish Preference shareholders from Ordinary shareholders.
b) What do you understand by?
i. Share
ii. Share capital
iii. Prospectus. **(5 marks)**
- 07.** a) State any two (2) benefits from bill of exchange in company.
b) You are given the following information from Kigali investment ltd:
Creditors at 1 January 2016 were Frw 2,500,000,
Creditors at 31st December 2016 were Frw 4,200,000
Payments to creditors were Frw 32,000,000.
Required: Calculate the amount of purchases. **(5 marks)**

08. The following information is given for UMUCURUZI Ltd
Unit sales price: Frw 10; Variable cost per unit: Frw 6
Total fixed costs: Frw 50,000

Calculate:

- a) Contribution margin ratio
 - b) Break-even sales in units
 - c) Break-even sales in Frw
 - d) Sales in units required to achieve a net income of Frw 4,000. **(5 marks)**
09. The opening stock for URUNANA Partnership is Frw 3,000,000, Closing stock Frw 5,000,000, Sales Frw 40,000,000. The margin being 20%

Required:

Calculate the cost of goods sold and stock turnover.

(5 marks)

10. The cost of a job is Frw 100,000:

(a) What is the amount of sales if there is a mark-up of 25%?

(b) What is the amount of sales if there is a margin of 25%?

(5 marks)

11. Umwiza, Umuvandimwe and Umulisa are partners. They share profits and losses in the ratios of 2/9, 1/3 and 4/9 respectively. For the year ended 31 December 2017, their capital accounts remained fixed at the following amounts:

UMWIZA for Frw 6,000,000 ; UMUVANDIMWE for Frw 4,000,000 and
UMULISA for Frw 2,000,000

They have agreed to give each other 6 per cent interest per annum on their capital accounts.

In addition to the above, partnership salaries of Frw 3,000,000 for
UMUVANDIMWE and Frw 1,800,000 for UMULISA are to be charged.

The net profit of the partnership, before taking any of the above into account was Frw 11,100,000.

Required:

Draw up the appropriation account of the partnership for the year ended 31 December 2017.

(5 marks)

12. A limited has an authorized share capital of 200,000 shares of Frw. 100 each out of which only 150,000 shares have been issued. Although the company requested the shareholders to pay 80 Frw per share, the shareholders were able to pay 50 Frw per share. Determine the:

- a) Authorized share capital
- b) Issued share capital
- c) Called up share capital
- d) Uncalled up share capital
- e) Paid up share capital.

(5 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

- 13.** DAEV.F Cars Ltd. Issued 100,000 shares of Rs 10 each at a premium of Rs 5 per share, payable as: On application Rs. 4(including Rs 2 premium) per share on allotment Rs 8 (including Rs 3 premium) per share on call Rs.3 per share. Applications were received for 100,000 shares and allotment was made to all. Make journal entries. **(10 marks)**
- 14.** Kigali Design Co. Ltd has offered to public for subscription 20,000 shares of Frw 100 each payable as Frw 30 per share on application. Frw 30 per share on allotment and the balance on call. Applications were received for 30,000 shares application for 5,000 shares were rejected all together and application money was returned. Remaining applicants were allotted the offered shares. Their excess application money was adjusted to wards some due on allotment. Calls were made and duly received. Make journal entries in the books of the company. **(10 marks)**
- 15.** NTD.KTA Ltd. issued 10,000 shares of Frw 100 each payable as: Rw 25 on application. Frw 25 on allotment Frw 20 on first call and 30 on second and final call 9,000 shares were applied for and allotted. All the payments were received with the exception of allotment money, first call and second and final call money on 300 shares allotted. The board of directors decided to forfeit these shares. Make journal entry to record transaction relating to forfeiture of shares. **(10 marks)**
- 16.** African Reflexology Company Ltd. Invited applications for 200 shares of U.sh 50 each at a discount of 10% payable as follows: on application us.10 per share on allotment U.sh 20 per share on call U.sh15 per share whole of the issue was subscribed and paid for except the calls money on 200 shares which were forfeited by the company. Make the journal entry for forfeiture of shares. **(10 marks)**
- 17.** Retirement of a partner:
- ❖ Jana, Kariza and Limo are in partnership sharing profit and losses in the ratio of 2:2:1 respectively.
 - ❖ Partner Jana decides to retire on 31 December 2004 when the partnership Statement of financial position is as follows:

Statement of financial position as at 31st

	Frw	Frw
NET ASSETS		<u>100,000</u>
Capital accounts: Jana	35,000	
Kariza	45,000	
Limo	<u>20,000</u>	100,000

Goodwill is agreed at a valuation of Frw 30,000. Kariza and Limo are to continue in partnership and will share profits and losses in the ratio of 2:1 respectively. Jana agrees to leave Frw 20,000 of the amount due to him as a loan to the new partnership. **Determine:**

- a) Journal entries
- b) Capital accounts
- c) Statement of financial position after the retirement of Jana. **(10 marks)**

18. You are provided with the following information from MUGABEKAZI, MWENEDATA and NZIKUBANA partnership for the period ended 31 December 2017

- Net profits Frw 111,100,000.
- Interest to be charged on capitals: MUGABEKAZI Frw 3,000,000; MWENEDATA Frw 2,000,000; NZIKUBANA Frw 1,500,000.
- Interest to be charged on drawings: MUGABEKAZI Frw 400,000; MWENEDATA Frw 300,000; NZIKUBANA Frw 200,000.
- Salaries to be credited: MWENEDATA Frw 20,000,000; NZIKUBANA Frw 25,000,000.
- Profits to be shared: MUGABEKAZI 70%; MWENEDATA 20%; NZIKUBANA 10%.
- Current accounts: balances b/d MUGABEKAZI Frw 18,600,000; MWENEDATA Frw 9,460,000; NZIKUBANA Frw 8,200,000.
- Capital accounts: balances b/d MUGABEKAZI Frw 100,000,000; MWENEDATA Frw 50,000,000; Howe Frw 25,000,000.
- Drawings: MUGABEKAZI Frw 39,000,000; MWENEDATA Frw 27,100,000; NZIKUBANA Frw 16,800,000.

Required:

- a) Draw up a profit and loss appropriation accounting;
- b) Prepare their current accounts;
- c) Prepare their capital accounts.

(10 marks)

