

THE UNIVERSITY OF ZAMBIA



SCHOOL OF ENGINEERING

ENG 4129 – ENGINEERING MANAGEMENT AND SOCIETY I (Accountancy)

Assignment 1

June, 2024

1. Write up the assets, and liabilities and capital accounts in the records Ngoma Pumulo.

2023	
July 1	Started business with K2,500 in the bank
July 2	Bought office furniture by cheque K150
July 3	Bought machinery K750 on credit from Planers Limited
July 5	Bought a motor vehicle paying by cheque K600
July 8	Sold some of the office furniture – not suitable for the firm – for K60 on credit to Manda Muzamai and Sons
July 15	Paid the amount owing to Planers Ltd K750 by cheque
July 23	Received the amount due from Manda Muzai and Sons K60 cash
July 31	Bought more machinery by cheque K280

2. Distinguish from the following list the items that are liabilities from those that are assets:
- (i) Plant, machinery and equipment
 - (ii) Loan from C. Shirley
 - (iii) Fixtures and fittings
 - (iv) Motor Vehicles
 - (v) Motor vehicle expense
 - (vi) We owe for goods
 - (vii) Bank Balance
3. a) Enter the following items in the necessary debtors and creditors accounts only, do not write up other accounts. Then balance down each personal account at the end of the month.

2024	
May 1	Sales on credit to H Hambulo K690, N Monde K153, J Lungu K420
May 4	Sales on credit to L Mulenga K418, H. Hambulo K66
May 10	Return inwards from H Hambulo K40, J Lungu K20
May 18	N monde paid by cheque K153
May 20	J Lungu paid us K400 by cheque
May 24	H Hambulo paid us K300 by cash
May 31	Sales on credit to L Mulenga

- b) enter the following in the personal accounts only. Do not write up the other accounts. Then balance down each personal account at the end of the month.

2024	
January 1	Purchases on credit from J Yombe K458, L Wina K120, G Nomusa K708
January	Purchases on credit from L Wina K77, T Hae K880
January	We returned goods to G Nomusa K22, J. Yombe K55
January 15	Purchase on credit from J. Yombe K80
January 19	We paid T. Hae by cheque K880
January 20	We paid J Yombe by cash K250
January 30	We return goods to L Wina K17

4. a) Define the following
 - i. Liabilities
 - ii. Capital
 - iii. State the accounting equation, and explain it to a layman.
- b) What is asset classification and why is it important?
5. a) What is bookkeeping and what is its importance?
- b) What is a contingent liability? Give 2 examples of contingent liabilities.
6. Mr Nyirongo Ngenda's transactions for the month of July 2023 were as follows:

July 1, sales ZMW 5,000 with K50 discount
 July 10, sales ZMW 15,200
 July 12 Returns inwards K1,500
 July 16 sales, ZMW 2,400
 July 25, Cash received ZMW 12,250
 July 27 Sales, ZMW 5,275
 July 28 Sales, ZMW 500
 July 29 cash received, ZMW 2,540
 July 31 Bad debt written off K980

Required: write up Mr. Nyirongo Ngenda's ledger account as at the end of July, 2023 and balance it off using a three column format.

7. Chabala Sangwapo has the following items in his statement of financial position as on April 30, 2024:

Capital K18,900; loan from Tumelo Shampule K2,000; creditors K1,600; Fixtures K3,500; motor vehicle K4,200; stock of goods K4,950; debtors K3,280; cash at bank K6,450; cash in hand K120

During the first week of May 2024 Sangwapo:

- i) Bought extra stock of goods K770 on credit
- ii) One of the debtors paid him K280 in cash.
- iii) Bought extra fixtures by cheque K1, 000.
- iv) Capital of K1,200 was injected into the business by cash and K2,400 by cheque
- v) Obtained a loan of K15,000 from the bank payable in 2 years' time.

Required:

Draw up the statement of financial position as on May 7, 2024 after the above transactions have been completed.

8. The following transactions took place in the month of March, 2022.

2019

- March 1 Started business with K800 in the bank
- March 2 Bought goods on credit from the following persons: K. Henriques K76; M. Hyatt K27; T. Braham K56;
- March 5 Cash sales K87
- March 6 Paid wages in cash K14
- March 7 Sold goods on credit to: H. Elliott K35; L. Lane K42; H. Carlton K72
- March 9 Bought goods for cash K46
- March 10 Bought goods on credit from: M. Hyatt K57; T; Braham K98
- March 12 Paid wages in cash K14
- March 13 Sold goods on credit to: L. Lane K32; H. Carlton K23
- March 15 Bought shop fixtures on credit from Betta Limited K50
- March 17 Paid M. Hyatt by cheque K84
- March 18 We returned goods to T. Braham K20
- March 21 Paid Betta Limited a cheque for K50
- March 24 J. Carlton paid us his account by cheque K95
- March 27 We returned goods to K. Henriques K24
- March 30 J. King lent us K60 by cash
- March 31 Bought a motor van paying by cheque K400

Required

- a) Define the following: double entry system and the accounting equation, and trial balance.
- b) Enter up the books for the above transactions.
- c) Extract a trial balance as at March 31, 2022.

9. Your good friend Martin Walker Lweendo, who is a sole trader, extracted the following Trial Balance (TB) from his books at the close of business on September 30, 2022.

	Dr (ZMW)	Cr (ZMW)
Purchases and sales	22,860	41,970
Stock 1 October 2021	5,160	
Capital 1 October 2021		7,200
Bank overdraft		4,350
Cash	90	
Discounts	1,440	930
Returns inwards	810	
Returns outwards		570
Carriage outwards	2,160	
Rent and Insurance	1,740	
Fixtures and Fittings	1,200	
Drawings	2,880	
Wages and salaries	8,940	
General office expenses	450	
Debtors and creditors	11,910	6,060
Provision for bad and doubtful debts		660
Delivery van	2,100	
	61,740	61,740

Notes

- Stock at September 30, 2022 K4,290
- Wages and salaries accrued at September 30, 2022 K210
- Office expenses owing K20
- Rent prepaid at September 30, 2022 K180
- Increase the provision for bad and doubtful debts by K150 to K810
- Provide for depreciation as follows: Fixtures and fittings K120; Delivery van K300

Required

Draw up the Statement of Profit or Loss and Other Comprehensive Income for the year ended September 30, 2022 together with the Statement of Financial Position as at September 30, 2022

(10 + 6) 16 marks

10. a) Define the following terms:
- i) Cost management
 - ii) Accounting concepts
- b) State the users of financial information and their information needs.