

2015/10/11/571

SCHOOL OF AGRICULTURE & AGRICULTURAL TECHNOLOGY
 DEPARTMENT OF AGRICULTURAL ECONOMICS
 2019/2020 HARMATTAN SEMESTER EXAMINATIONS
 AEC 507: FARM ACCOUNTING AND RECORDS

INSTRUCTIONS: Answer 5 questions in all, but answer at least, 1 question
 From each of sections A and B and 2 questions from section C

SECTION A

1. (a) Define the term "Farm Records"
 (b) Differentiate between Physical and Financial Farm Records.
 (c) Give 5 reasons why we keep Farm Records
 (d) List any 5 essential characteristics of a good Farm Record.
- 2 (a) Define the term "Depreciation"
 (b) Define the term "Inventory" and "Valuation"
 (c) Explain the causes of Farm Asset Depreciation
 (d) Briefly explain any 4 methods for calculating Depreciation.
 (e) A machine purchased at a cost of ₦200,000 (two hundred-thousand Naira) is expected to last for 10 years and depreciates at a rate of 20% per annum. Assuming no salvage value, show the depreciation of the asset over its useful life using the declining balance method.

SECTION B

- 3 (a) Describe the following accounting conventions with attendant features, Justification, Drawbacks and Consequences:
 - i. Realization Convention
 - ii. Accruals - as the case
 - iii. Matching
 - iv. Entity
 - v. Periodicity
- 4 (a) Give a concise description of book keeping with adequate illustrations.
 (b) Explain the need book keeping fulfils.
 (c) Describe how entries are made in the following accounts
 - i. Asset Account
 - ii. Liability Account

SECTION C

- 5 (a) Define Farm Accounting and list the Accounting Process.
 (b) Define "Source Documents" and explain their nature and uses.
 (c) List the fields of Accounting and briefly explain their subject matter.
 (d) Indicate the accounts to be debited and credited in each of the following transactions:

	Description of items	Account to be Debited and Credited	
		Dr.	Cr.
(a)	Commenced business with cash.		
(b)	Cash purchases of goods.		
(c)	Paid cash into bank.		
(d)	Purchased assets on credit from ABC Farms.		
(e)	Cash withdrawn from bank for proprietor's use		
(f)	Repaid Orji's loan.		
(g)	Received cheque from a debtor, Ukaegbu.		
(h)	Paid cheque to creditor, Uzoukwu.		
(i)	Received cash from a debtor, Uchendu.		
(j)	Bought goods on credit from Ugorji Eze.		

6 (a) List the various classes of accounts and Ledger.

(b) Indicate the class of Account and the class of Ledger to which each of the following items belong;

Items	Class of account	Class of ledger
(i) Building		
(ii) Chike (a debtor)		
(iii) Capital		
(iv) Plant and Machinery		
(v) Purchases		
(vi) Interest Income		
(vii) Rent Expenses		
(viii) U. Uloaku (a creditor)		
(ix) Wages		
(x) Salaries		
(xi) Office equipment		
(xii) Opening stock		
(xiii) Closing stock		
(xiv) Sales		

(c) Complete the gaps in the following Table;

S/N	Assets (N)	Liability (N)	Capital (N)
(i)	12,500.00	1,800.00	?
(ii)	28,000.00	4,900.00	?
(iii)	16,800.00	?	12,500.00
(iv)	19,600.00	?	16,450.00
(v)	?	6,300.00	19,200.00
(vi)	?	11,650.00	39,750.00

(7) (a) Briefly explain the concept of Single and Double – entry Accounting Systems.

(b) List the Books of Accounts and their uses

(c) Journalize the following transactions of a Broiler Farmer;

Mr. K. Ephraim started a Broiler business on January 1, 2018 with N20,000.00 in his Bank Account.

Other transactions for the year were as follows;

- (i) Jan. 2: he paid N160 cheques for rent for the two months of January and February.
- (ii) Feb. 2: Bought Warehouse Fixtures, paying by cheque for N2,400.
- (iii) Feb. 3: Withdrew N300 cash from Bank for business uses.
- (iv) Mar. 4: Paid wages in each for three weeks of January, N240
- (v) May 5: Bought N1,400 worth of goods paying for them by cheque
- (vi) April 6: Bought Broiler starter on credit from T. Oleru, N160, F. Uzor, N2,400; C. Ukeje, N1,100.
- (vii) April 8: Motor van bought by cheque, N4, 800
- (viii) May 11: Paid for motor expenses by cash, N30.
- (ix) May 12: Sold goods on credit to K. Ugboaja, N60; E. Aku N1,460.
- (x) May 13: Cash sales, N280.
- (xi) June 15: Paid for lighting by cheque for the two weeks of January. N160
- (xii) June 16: Paid Insurance by cheque, N240 for the 12 months to December, 31st 2018.
- (xiii) July 19: Bought goods on credit from J. Ajali, N3,200.
- (xiv) July 21: Sold goods on credit to K. Amadi, N6,800; N Uzor, N240.
- (xv) Aug. 24 Ekechi withdrew N500 by cheque for his personal use.
- (xvi) Aug. 26 Received cheques from E. Amadi, N1,365, after cash discount of N35; M. Okon on account, N1,000.
- (xvii) Sept. 27th: Returned goods to C. Ukaeje, N240; F. Uzor, N200
- (xviii) Sept. 29th Paid by cheque , after deducting 3% cash discount, the account of T. Oleru and j. Ajali
- (xix) Oct. 30th: Goods returned to us by M. Oko, N80; N. Uzor, N40.
- (xx) Dec. 10th: K. Ephraim withdrew N40 cash for personal use.