

PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1
PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1
QUESTION 2 (20 MARKS)

H Ltd has three (3) main departments-Casting, Dressing and Assembly. For period 3 it has prepared the following production overhead budgets for an output level of 110000 units.

Department	Casting	Dressing	Assembly
Production overheads	\$225 000	\$175 000	\$93 000
Expected production (hrs)	7 500	7000	6200

During period 3, actual results were as follows for an output level of 117 500 units.

Department	Casting	Dressing	Assembly
Production overheads	\$229 317	\$182 875	\$94395
Production hours	7950	7280	6696

Required

- Calculate predetermined departmental overhead absorption rates for period 3. (7 marks)
- Calculate the under/over absorption of over heads for each department for period 3. (13 marks)

PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1

PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1

QUESTION 3

In a given period, the production data and costs for a process were as follows:

Production 2100 units fully complete

700 units partly complete

The degree of completion of the partly complete units was:

Materials 80% complete

Labour 60% complete

Overheads 50% complete

The costs for the period were:

Material \$24 800

Labour \$16 750

Overheads \$36 200

Required

- a) Calculate the total equivalent production, the cost per completed unit and the value of the work in progress. (15 marks)
- b) Prepare the Process Account. (5 marks)

PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1
PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1
QUESTION 4 (20 MARKS)

- a) Briefly explain the following terms:
- i) Marginal costing (2 marks)
 - ii) Absorption costing (2 marks)
- b) H Ltd manufactures a single product. The following is available for February 2021:

Units manufactured and sold		15 000
Selling price per unit		\$50
Manufacturing cost	Variable	\$375 000
	Fixed	\$150 000
Selling and administrative cost:		
Variable (\$5 per unit sold)		\$75 000
Fixed	-	\$50 000

Required

Draft the income statement for February 2021 using:

- i) Marginal/ variable costing approach. (8 marks)
- ii) Absorption costing approach. (8 marks)

QUESTION 5

A company that intended to produce 6000 units of product sigma had the following standard cost per unit:

	\$
Direct materials (5kg at \$10/kg)	50
Direct labour (2 hoop at \$12/hour)	24
	74

The company actually produced 6400 units at the following costs:

	\$
Materials (27000 kg)	29 7000
Labour (11500 hours)	132250
	429 250

Required

Calculate the following variances

- Material price variance
- Material usage variance
- Total material cost variance
- Labour rate variance
- Labour efficiency variance
- Total labour cost variance

(20 marks)

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**MINISTRY OF HIGHER AND TERTIARY EDUCATION,
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DEVELOPMENT**

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Business Law 2

PAPER NO: 500/23/M03

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all questions.
2. Begin each answer on a fresh page.

This paper consists of 2 printed pages.

This paper consists of 2 printed pages.

QUESTION 1

One of the duties of the seller is to guarantee against latent defects.

Discuss the above statement in relation to the law of purchase and sale.
(20 marks)

QUESTION 2

Identify and explain any five (5) duties and any five (5) rights of the employee.
(20 marks)

QUESTION 3

- a) Outline and explain any seven (7) ways of classifying things. (14 marks)
- b) Differentiate between ownership and possession. (6 marks)

QUESTION 4

- a) Explain four (4) essentials of a valid partnership. (8 marks)
- b) Highlight and explain any six (6) ways of terminating a partnership. (12 marks)

QUESTION 5

- a) Discuss agency by ratification and its requirements. (10 marks)
- b) Discuss lien as a form of security. (10 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

**SUBJECT: Cost and Management Accounting 1 PAPER NO: 500/15/S09
500/22/S09**

DURATION: 3 hours

JUNE 2026 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1) Answer all questions.
- 2) Show all relevant workings.
- 3) A silent non-programmable calculator may be used.
- 4) Begin each answer to a new question on a fresh page.

This paper consists of 6 printed pages.

PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1
PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1
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PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1

PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1

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PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1
PAPER NO: 500/22/S09-COST AND MANAGEMENT ACCOUNTING 1
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Required

Draft the income statement for February 2021 using:

- i) Marginal/ variable costing approach. (8 marks)
- ii) Absorption costing approach. (8 marks)

PAPER NO: 500/15/S09-COST AND MANAGEMENT ACCOUNTING 1
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QUESTION 5

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Required

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- Total labour cost variance

(20 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Principles of Management

PAPER NO: 500/23/M04

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer any five (5) questions.
2. All questions carry equal marks.

This paper consists of 2 printed pages.

PAPER NO: 500/23/M04 – PRINCIPLES OF MANAGEMENT

QUESTION 1

- (a) Explain the three (3) levels of strategic planning. (12 marks)
- (b) Outline any four (4) principles of planning. (8 marks)

QUESTION 2

Discuss any five (5) benefits of applying the servant leadership style in management. (20 marks)

QUESTION 3

Describe any five (5) determinants of span of control. (20 marks)

QUESTION 4

Using any five (5) points, explain the importance of decision making. (20 marks)

QUESTION 5

Analyse any five (5) limitations of Henry Fayol's administrative management theory. (20 marks)

QUESTION 6

Examine any five (5) reasons why subordinates may resist delegation. (20 marks)

QUESTION 7

Assess any five (5) benefits of job redesign. (20 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Quantitative Analysis for Business PAPER NO: 500/23/M05

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

1. Scientific calculator
2. Graph paper
3. List of formulae

INSTRUCTIONS TO CANDIDATE

1. Answer any five (5) questions.
2. Show all workings.
3. All questions carry equal marks.
4. Each question to start on a new page.

This paper consists of 5 printed pages.

QUESTION 1

a) Define the following terms:

i) Mean (1 mark)

ii) Medium (1 mark)

iii) Mode (1 mark)

b) The table below shows the distribution of ages of customers visiting a shop on a particular day:

Age (Years)	Number of customers
2-9	2
10-17	6
18-25	12
26-33	5
34-41	3
42-49	2

Calculate

i) Mean (4 marks)

ii) Median (4 marks)

iii) Variance (4 marks)

iv) Standard deviation (2 marks)

v) Lower quartile (3 marks)

QUESTION 2

a) The following data gives the annual consumption and the prices of three commodities during the period 2020 and 2021:

Commodity	Consumption		Price	
	2020	2021	2020	2021
A	4	5	12	13
B	3	3	100	120
C	10	12	80	95

PAPER NO: 500/23/M05 – QUANTITATIVE ANALYSIS FOR BUSINESS

Calculate

- i) Unweighted aggregate quantity index and interpret. (4 marks)
 - ii) Paasche quantity index (4 marks)
 - iii) Laspeyres quantity index (4 marks)
- b) Solve the following simultaneous equations using the Cramer's rule

$$x + 2y + 4z = 14$$

$$2x + 6y + 6z = 28$$

$$3x + 6y + 10z = 34$$

(8 marks)

QUESTION 3

- a) i) Name four types of errors. (4 marks)
- ii) Rutendo's Company has the following expenses in making engines:

Material costs \$70 000 $\pm$ 10%

Labour costs \$400 000 $\pm$ \$50 000

The company plans to sell the engines made as follows:

Number of engines 1 000 $\pm$ 70

Price per engine \$8 000 $\pm$ 6,25%

Calculate the total profit made showing limits of error. (10 marks)

- b) Give three (3) advantages and three (3) disadvantages of using primary data. (6 marks)

QUESTION 4

- a) Define the following terms:

i) Interest (1 mark)

ii) Annuity (1 mark)

PAPER NO: 500/23/M05 – QUANTITATIVE ANALYSIS FOR BUSINESS

- b) A sinking fund of \$15 000 is to be created by making equal deposits at the end of every six (6) months for three (3) years. Interest is 12% per annum compounded half yearly.
- i) Calculate the periodic deposits in the fund. (4 marks)
 - ii) Find the total amount deposited into the fund. (2 marks)
 - iii) How much of the fund will be interest. (2 marks)
 - iv) Construct a sinking fund schedule. (10 marks)

QUESTION 5

The following data was collected from a survey on Musa Company vehicles.

Speed km/hour	80	100	130	110	90	60	70	80	140	95
Fuel used in litres	8	10	15	12	9	8	8	9	14	10

- a) State the independent and the dependent variables. (2 marks)
- b) Calculate the least squares regression equation giving your answer correct to 4 d.p (8 marks)
- c) Draw a scatter plot (3 marks)
- d) Estimate the fuel likely to be used at a speed of 105km/ hr. (2 marks)
- e) Calculate the product moment correlation coefficient and comment. (5 marks)

QUESTION 6

- a) Classify the following under qualitative or quantitative random variable. If quantitative indicate whether the phenomenon is discrete or continuous
 - i) Distance travelled by students from home to school. (2 marks)
 - ii) Grade obtained at HEXCO ND Level. (1 mark)
 - iii) Time to catch a flight at an airport. (2 marks)
 - iv) Amount of fuel used to go to work. (2 marks)
 - v) Number of students in a class. (2 marks)

- b) The land distribution in a certain area is as follows;

Land Size (Hectare)	Number of Families	Land Allocated
Less than 1	96	24
1-5	40	40
5-10	30	80
10-20	20	120
20-30	10	160
Above 30	4	376

- i) Analyse the given information using a Lorenz Curve. (10 marks)
- ii) Comment on your graph. (1 mark)

QUESTION 7

- a) Define the following terms:

- i) Data (2 marks)
- ii) Primary data (2 marks)
- iii) Secondary data (2 marks)
- iv) Discrete data (2 marks)
- v) Continuous data (2 marks)

- b) Given the following matrices

$$A = \begin{pmatrix} 3 & 5 \\ -2 & 8 \end{pmatrix}, B = \begin{pmatrix} 10 & 5 \\ 4 & 2 \end{pmatrix}, \text{ and } C = \begin{pmatrix} 4 & -1 & 3 \\ 2 & 5 & 7 \end{pmatrix}$$

Find:

- i) AB (2 marks)
- ii) BC (2 marks)
- iii) $2A - B$ (3 marks)
- iv) B^{-1} and hence give the name given to matrix B (3 marks)

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NATIONAL DIPLOMA

**IN
BUSINESS AND MANAGEMENT STUDIES**

SUBJECT: Tax Law And Practice 1

PAPER NO: 500/23/M07

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all questions.
2. Candidates may bring into the exam room unnoted copies of ITA(Chapter 23:06), FA (Chapter23:04) and /or CGTA (Chapter 23:01)
3. For applicable rates of assessment for this paper use the Annexure attached.
4. Candidates may use silent non- programmable calculators.

This paper consists of 6 printed pages.

QUESTION 1

Mr Chimusoro, 60 years old and Wheel chaired is an internal auditor of Kariba Timbers Pvt, Ltd. He provided the following information for the year ended 31 December 2023.

Income	\$
Monthly salary	20 000
Bonus per annum	300 000
Directors fees (Note 1)	360 000
Entertainment allowance (Note 2)	80 000
Cash in lieu of leave	220 000
Interest from CBZ bank	20 000
Sale of personal clothes	5 000
Annuity (Note 3)	8 000
Cash inherited from uncle	6 000
Compensation for injury at work	15 000
Dividend: OK limited Zimbabwe	18 000
Expenses	
Contribution approved Pension fund	500 000
RAF contributions	400 000
Subscriptions to auditors Association	250 000
Medical aid contributions	75 000
ACCA joining fee	60 000
ACCA subscriptions	20 000

Additional Information

1. 50% of the director's fees was from a company on Zambia.
2. 80% of the entertainment allowance was spent on the business of the employer.
3. Chimusoro received an annuity of \$8 000 per annum purchased in year 2020 at a cost of \$50 000, the annuity will be paid for 15 years.
4. The employer provided him with free accommodation on 30 June 2023. Similar properties are rented out for \$900 per month.
5. The house (accommodation) was furnished and cost of furniture was \$160 000.
6. The employer provided him with company vehicle on 1 July 2023. Engine capacity of 3400cc.

Required:

Calculate taxable income for Mr Chimusoro for the year ended 31 December 2023.
(20 marks)

QUESTION 2

Blazo is a farmer who benefited from the land reform program in the year 2000. From his salary, he purchased the following livestock;

Beast	Cost \$	FSV \$
Stud Bull	150	-
Stud Bull	125	-
Stud Bull	200	-
50 Cows	8500	200
25 Heifers	5000	175
25 tollies	7500	150
50 Calves	5000	100
50 oxen	5000	175
203	31 475	

During the year the following took place:

There were 50 births
Four (4) deaths (2 tollies and 2 cows)
Sales 40 (15 tollies and 25 oxen)
Sales revenue \$ 37 500
Expenses for running the herd were \$ 15 800.

Additional information:

5 heifers became cows
10 tollies became oxen
10 calves became tollies
15 calves became heifers

Required:

- Prepare livestock reconciliation account assuming that stud bulls are valued at \$100 and all other livestock at Fixed Standard Value (FSV). (15 marks)
- Prepare the livestock trading account. (5 marks)

QUESTION 3

The following information is provided by the accountant of S Ltd for the year ended 31 December 2024.

	\$
Revenue from company operations	930 000
Dividends: -Botswana Company	20 000
: - DK Ltd Zimbabwe	16 000
Rental Income: - Malawi Properties	7 000
: - Bulawayo Properties	6 000
Restraint of trade	8 000
Profit on disposal of assets	<u>3 000</u>
	990 000

Less Expenses

Depreciation	13 000	
Salaries and wages	10 000	
Insurance (1)	6 000	
Fines	7 000	
Cash stolen (2)	23 000	
Donations (3)	18 000	
Entertainment	13 500	
Advertisement costs (4)	53 000	
Tax advice	6 000	
Provision for bad debts	8 000	
Interest (5)	<u>16 000</u>	
Net profit		<u>173 500</u> <u>816 500</u>

Additional Information

1. Insurance cost included \$ 4 000 for a warehouse which is no longer in use.
2. Cash stolen included \$ 3 000 which was stolen by the managing director.
3. Donations included \$5 000 which was donated to the local soccer team.
4. Advertisement costs included \$6 000 which was paid for the manufacturing and erection of a bill board along the main road.
5. Included in the interest expense is \$10 000 which was on a loan used to buy a machine used in the production department.

The company owned the following assets:

Machinery	\$600 000
Passenger motor vehicle	\$100 000
Furniture and Equipment	\$200 000
Commercial Building	\$1500 000

Required:

Computation of taxable income for S LTD for the year ended 31 December 2024.
(20 marks)

QUESTION 4

Mr Mambo purchased a PPR in Mutare for \$500 000 on the 1st of February 2019 and immediately made the following improvements:

- Additional bedroom wing on 28 February 2019 for \$100 000.
- Staff cottage on 30 March 2019 for \$40 000.
- Visitors quarters on 23 May 2022 for \$200 000.
- Driveway on 24 May 2024 for \$50 000.
- Durawall with electrical fence on 31 May 2024 for \$50 000.
- Electrical gate on 30 June 2024 for \$30 000

He sold the PPR for \$1800 000 on 24 December 2025 and purchased another PPR in Rujeko Masvingo for \$1500 000.

Required:

Calculate the Capital gains tax payable by Mr Mambo on the sale of the specified asset assuming he elected a roll over relief if any. (20 marks)

QUESTION 5

- a) Identify the sources of the following income:
 - i) Author's royalties (2 marks)
 - ii) Rental from immovable property (2 marks)
 - iii) Fees for professional services (2 marks)
 - iv) Income derived from trade (2 marks)
 - v) Director's fees (2 marks)
- b) Examine any four (4) tests that can be applied to determine whether an income is of a capital nature or not. (8 marks)
- c) Explain the term 'deemed source'. (2 marks)

APPENDIX TO TAXATION PAPERS

1. Annual Individual Tax Table

Band of Taxable Income	Tax Rate	Amount in Bracket	Tax	Cumulative Tax
0-120 000	0%	120 000	0	0
120 001- 360 000	20%	240 000	48 000	48 000
360 001-720 000	25%	360 000	90 000	138 000
720 001- 1440 000	30%	720 000	216 000	354 000
1440 001- 3000 000	35%	1560 000	546 000	900 000
3000 001- above	40%	"	"	"

2. Corporate Tax 25%

3. Aids levy 3%

4. Motoring benefits

Engine Capacity	Monthly \$	Annually \$
Up to 1500 Cc	4 500	54 000
1501-2000Cc	6 000	72 000
2001- 3000Cc	9 000	108 000
3001- above	12 000	144 000

5. Bonus exempt portion \$100 000

6. Allowable deductions thresholds

Contributions to pension fund \$ 240 000
 Contributions to RAF \$ 240 000

Blindness, elderly and durability credit \$ 72 000

7. Passenger motor vehicle \$200 000

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

SUBJECT: Financial Management 1

PAPER NO: 500/15/S13

DURATION: 3 hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

Non-programmable calculator

INSTRUCTIONS TO CANDIDATE

- 1. Answer all questions.**
- 2. Each question carries equal marks.**
- 3. Show all workings.**

This paper consists of 3 printed pages.

QUESTION 1

- a) Identify and explain any two (2) roles of the finance manager in a firm. (5 marks)
- b) Betta Limited sells watches for \$25. Fixed costs are \$140 000 and variable costs are \$15 per watch.
 - i) Calculate the number of units/watches to be sold to break even. (3 marks)
 - ii) Determine what will happen to the break-even point if the selling price is increased to \$31. (5 marks)
- c) State any four (4) limitations of breakeven analysis. (4 marks)
- d) Explain any three (3) benefits of working capital management. (3 marks)

QUESTION 2

- a) Explain how the risk-return relationship affects the investment decision. (5 marks)
- b) Identify and explain any five (5) non-cash dividends available to companies. (15 marks)

QUESTION 3

- a) State any five (5) advantages of limited liability companies. (5 marks)
- b) An amount of \$1 000 is to be received semi-annually for the next three years and the applicable discount rate is 20% per annum. Interest is paid semi-annually. Determine the amount that will be in the account at the end of the investment if payments are to be made at the beginning of each period. (7 marks)
- c) Identify and explain the two (2) types of annuities. Use practical examples. (8 marks)

QUESTION 4

- a) A company with a cost of capital of 16% is considering the following project:

Year	Project
0	100 000
1	45 000
2	30 000
3	15 000
4	15 000
5	10 000

Calculate the project's payback period.

(5 marks)

- b) Explain the 5Cs of credit assessment.

(15 marks)

QUESTION 5

- a) Explain any five (5) weaknesses of ratio analysis when assessing company performances. (10 marks)
- b) Compare and contrast debt and equity as sources of finance. (10 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Business Law 2

PAPER NO: 500/23/M03

DURATION: 3 hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1) Answer ALL questions.
- 2) Begin each question on a fresh page.

This paper consists of 2 printed pages.

QUESTION 1

According to labour Relations Act, explain any five (5) rights and five (5) duties of the employee. (20 marks)

QUESTION 2

Explain any five (5) original ways of acquiring ownership of property (using examples in each case). (20 marks)

QUESTION 3

- a) Explain three (3) essentials of valid contract of purchase and sale. (6 marks)
- b) Examine the passing of risk under the law of purchase and sale. (14 marks)

QUESTION 4

- a) Identify and explain any five (5) types of Agents. (10 marks)
- b) Discuss any five (5) duties of an Agent. (10 marks)

QUESTION 5

Discuss the seven (7) common law duties imposed on partners based on utmost good faith and any three (3) methods of terminating a partnership. (20 marks)

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NATIONAL DIPLOMA

IN

BUSINESS MANAGEMENT

**SUBJECT: Business Information Systems PAPER NO: 500/22/S12
526/23/M02**

DURATION: 3 Hours

NOVEMBER/ DECEMBER 2025 EXAMINATION

REQUIREMENTS

Answer booklet.

INSTRUCTIONS TO CANDIDATE

Answer all questions.

This paper consists of 3 printed pages.

QUESTION 1

- a) Define a system. (2 marks)
- b) List and explain components of an information system. (10 marks)
- c) State and explain any two (2) advantages and two (2) disadvantages of office automation. (8 marks)

QUESTION 2

- a) What are the possible constraints of internet technology in Zimbabwe. (10 marks)
- b) Briefly describe the following types of E-commerce.
 - i) B2C
 - ii) B2B
 - iii) C2C
 - iv) C2B
 - v) B2G (10 marks)

QUESTION 3

- a) Explain any four network concerns for managers. (8 marks)
- b) State any two reasons why managers implement networks. (2 marks)
- c) Explain the duties of the following information system personnel:
 - i) Database administrator
 - ii) Network administrator
 - iii) Systems analyst
 - iv) Computer operator
 - v) Programmer (10 marks)

QUESTION 4

- a) Differentiate DSS from expert system (10 marks)
- b) Explain any five commandments of computer ethics. (10 marks)

QUESTION 5

- a) Explain five (5) major threats to information systems, and for each threat describe its impact and preventive measure you would adopt to prevent it. (15 marks)
- b) What are inter-organisational systems and the purpose it serves in business. (5 marks)

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IN

BUSINESS AND MANAGEMENT STUDIES

SUBJECT: Business Research Methods

PAPER NO: 500/23/M13

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

- 1) Non- programmable scientific calculator.
- 2) List of formulae and tables.
- 3) Graph paper.

INSTRUCTIONS TO CANDIDATE

- 1) Answer any five (5) questions.
- 2) All questions carry equal marks.
- 3) Show all workings where necessary.

This paper consists of 3 printed pages.

QUESTION 1

- a) Define ethical principles as used in research. (2 marks)
- b) Giving examples, elaborate on the potential unethical practices in research. (18 marks)

QUESTION 2

- a) State any five (5) reasons why researchers use sampling. (5 marks)
- b) Define, giving an example
- i) Primary data (3 marks)
 - ii) Representative sample (3 marks)
 - iii) Simple random sampling (3 marks)
 - iv) Judgemental sampling (3 marks)
 - v) Quantitative research (3 marks)

QUESTION 3

The clinic matron of Douglas Institution of Technology collected information on the number of students who came for treatment during the first five (5) days of the term. The results are in the table below:

No of days	1	2	3	4	5
No of students	12	10	25	15	3

- a) Use the given information to find:
- i) Range (2 marks)
 - ii) Mode (2 marks)
 - iii) Median (2 marks)
 - iv) Mean (3 marks)
 - v) Standard deviation, giving your answer correct to 2 decimal places. (6 marks)
- b) Show the given information on a simple bar chart. (5 marks)

QUESTION 4

- a) Describe any five (5) characteristics of scientific research. (10 marks)
- b) Distinguish between basic research and applied research. (10 marks)

QUESTION 5

State and describe any ten (10) characteristics of a good questionnaire.
(20 marks)

QUESTION 6

- a) Define closed ended question and give four (4) advantages and four (4) disadvantages of using such type of question. (10 marks)
- b) Explain any five (5) sources of research topics. (10 marks)

QUESTION 7

- a) Discuss four (4) method of collecting data. (12 marks)
- b) Describe any four (4) ways of evaluating credibility of secondary data. (8 marks)

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DEVELOPMENT**

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL DIPLOMA

IN

BUSINESS STUDIES

MODULE: Principles of Economics

PAPER NO: 500/23/M01

DURATION: 3 Hours

NOVEMBER/ DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1. Answer any five (5) questions.**
- 2. All questions carry equal marks.**

This paper consists of 3 printed pages.

This paper consists of 6 ...

QUESTION 1

Explain the following terms:

- a) Opportunity cost (5 marks)
- b) Diminishing marginal returns (5 marks)
- c) Economies of scale (5 marks)
- d) Diseconomies of scale (5 marks)

QUESTION 2

Discuss five (5) reasons why formerly command economies have shifted to being market economies. (20 marks)

QUESTION 3

Examine the importance of price elasticity of demand in:

- a) the business sector. (10 marks)
- b) the government. (10 marks)

QUESTION 4

- a) Explain two (2) essential characteristics of:
 - i) Perfect competition. (4 marks)
 - ii) Monopoly (4 marks)
- b) With the aid of diagrams, distinguish between the long run equilibrium of perfect competition and long run equilibrium position of a monopoly. (12 marks)

QUESTION 5

- a) Describe in detail the following types of inflation:
 - i) Demand pull inflation (6 marks)
 - ii) Cost push inflation (6 marks)
- b) Discuss four (4) effects of inflation. (8 marks)

QUESTION 6

- a) Distinguish between GDP at factor cost and GDP at market price. (8 marks)
- b) Explain four factors that can shift the Aggregate Demand curve. (12 marks)

QUESTION 7

- a) Define the term “money” (2 marks)
- b) Discuss six (6) objectives of monetary policy. (18 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Cost and Management Accounting 1 PAPER NO: 500/23/M06

DURATION: 3 hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

1. Answer all questions.
2. A silent non-programmable calculator may be used.
3. Begin each answer to a new question on a fresh page.
4. Show all relevant workings.

This paper consists of 6 printed page.

QUESTION 1

a) Briefly explain the following terms as they are applied in Cost and Management Accounting:

- | | | |
|------|--------------------|-----------|
| i) | Cost centre | (2 marks) |
| ii) | Variable cost | (2 marks) |
| iii) | Semi-variable cost | (2 marks) |
| iv) | Sunk cost | (2 marks) |
| v) | Controllable cost | (2 marks) |

b) The following information pertain to a particular raw material:

Economic order quantity	12 000 kilos
Lead time	10 to 14 days
Average usage	600 kilos per day
Minimum usage	400 kilos per day
Maximum usage	800 kilos per day

Required to calculate:

- | | | |
|------|---------------------|------------|
| i) | Re-order level | (2½ marks) |
| ii) | Minimum stock level | (2½ marks) |
| iii) | Maximum stock level | (2½ marks) |
| iv) | Average stock level | (2½ marks) |

QUESTION 3

The following details are available for a factory at Company XYZ.

Budget:

	\$
Direct material	20 000
Direct wages	10 000
Direct expenses (royalties)	5 000
Total	35 000
Machine hours	1 000
Direct labour hours	2 000
Output	100
Production overheads	\$30 000

During a particular period, Job 012 was undertaken and the following details on it are available:

	\$
Direct material	5 000
Direct labour	2 000
Royalties	1 500
Machine hours	200
Labour hours	150

Required:

a) Compute overhead absorption rates using the following bases:

- | | |
|-------------------------|-----------|
| i) Direct material cost | (3 marks) |
| ii) Direct wages cost | (3 marks) |
| iii) Prime cost | (3 marks) |
| iv) Machine hour | (3 marks) |
| v) Output | (3 marks) |

b) Draw a cost sheet for Job 012 using machine hour overhead absorption rate and calculate selling price if a 10% mark-up is charged on total costs.
(10 marks)

QUESTION 4

The following information is related to Z Ltd:

Data per unit	\$
Selling price	40
Direct material cost	12
Direct labour cost	6
Variable production overhead	2

Monthly costs:

	\$
Fixed production overhead	12 000
Fixed selling and administration	30 000

Variable selling costs are 10% of sales revenue and normal production capacity is 10 000 units per month.

	Units	Units
	November	December
Production	12 000	8 000
Sales	9 000	10 000

Required:

Prepare the Income Statement for November and December using Marginal Costing Approach. (15 marks)

QUESTION 5

Danidzirai Ltd decided to implement a system of standard costing as from the beginning of 1 June 2023. It now has the actual results of its operations for the first month to compare with its standard figures.

Standard cost:

Material per unit 5kg at \$4 per kg.
Labour per unit 2 hours at \$6 per hour.
Variable overheads 2 hours at \$3 per hour.
Fixed overheads 2 hours at \$2 per hour.
Production and sales per month 2 000 units.

Actual results for the month:

Production	2 200 units
Sales	2 100 units at \$5 each
Materials	\$49 950 for 11 100kg
Labour	\$30 100 for 4 300 hours
Variable overheads	\$12 200
Fixed overheads	\$8 400

Required:

Compute the following variances:

- | | |
|-------------------------------|-----------|
| a) Material price variance | (3 marks) |
| b) Material usage variance | (3 marks) |
| c) Labour rate variance | (3 marks) |
| d) Labour efficiency variance | (3 marks) |
| e) Labour total cost variance | (3 marks) |

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NATIONAL DIPLOMA

IN

MANAGEMENT STUDIES

MODULE: Communication

PAPER NO: 543/23/M01

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1. Answer all questions.**
- 2. Start each answer on a fresh page.**

This paper consists of 3 printed pages.

QUESTION 1

Information dissemination

(20 marks)

In an organisation communication is disseminated through formal and informal communication networks.

Write notes on the following tools of information dissemination at workplace.

- (a) Inter-organisational communication. (5 marks)
- (b) Downward communication (5 marks)
- (c) Grapevine communication (5 marks)
- (d) Notice (5 marks)

QUESTION 2

Organisational communication

(20 marks)

The use of proper media to transmit information in an organisation is important as well as the hierarchy

Explain the following terms:-

- (a) Hierarchical chart (4 marks)
- (b) Channel (4 marks)
- (c) Media (4 marks)
- (d) A business or enterprise (4 marks)
- (e) Laissez faire leader (4 marks)

QUESTION 3

Meetings

(20 marks)

- (a) As the Purchasing Manager at your company, you hold meetings very often with both your seniors and subordinates. Outline the purposes of meetings in business organisations. (10 marks)
- (b) Provide the duties of the Chairperson in a formal meeting. (10 marks)

QUESTION 4

Memorandum

(20 marks)

You are the Purchasing Manager of a large wholesale company. Recently the company was joined by some new staff members in the procurement division .

Write a memorandum to the Human Resources Manager requesting him or her to arrange for an In house induction training course on procurement processes for the newly recruited members.

QUESTION 5

Report writing

(20 marks)

In report writing after an investigation of an incident has been carried out, the following sub headings prevail.

Write details which follow under them

- | | |
|------------------------|-----------|
| (A) Terms of reference | (4 marks) |
| (b) Procedure | (4 marks) |
| (c) Findings | (4 marks) |
| (d) Conclusion | (4 marks) |
| (e) Recommendations | (4 marks) |

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

SUBJECT: Quantitative Techniques PAPER NO: 500/15/S06

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

- 1) Scientific calculator, formula booklet, graph paper.
- 2) List of formulae and tables.
- 3) Graph paper.

INSTRUCTIONS TO CANDIDATE

- 1) Answer any five (5) questions.
- 2) All questions carry equal marks.
- 3) Show all workings.

This paper consists of 5 printed pages.

QUESTION 1

The following is a distribution of the size of residential stands and the number of families occupying them.

Size of stands (m^2)	Number of families
500-<1000	18
1000-<3000	25
3000-<5000	6
5000-<7000	8
7000-<9000	12

Calculate

- a) Mean (4 marks)
- b) Lower quartile (5 marks)
- c) Mode (4 marks)
- d) Standard deviation (5 marks)
- e) Coefficient of variation (2 marks)

QUESTION 2

- a) The time taken to deal with reported gas leaks is found to have a mean of 65 minutes and a standard deviation of 60 minutes. Assuming the time follows a normal distribution. Estimate the probability that it will take:
 - i) More than 185 minutes (4 marks)
 - ii) Between 50 minutes and 125 minutes. (4 marks)
 - iii) Less than 120 minutes to deal with a reported leak. (3 marks)
- b) A switchboard receives on average 10 calls per day. What is the probability:
 - i) At least 1 call will be received in a half day. (3 marks)
 - ii) Exactly 8 calls will be received in half a day. (2 marks)
- c) Define the following terms:
 - i) Discrete data (1 mark)
 - ii) Continuous data (1 mark)
 - iii) Random sample (1 mark)
 - iv) Secondary data (1 mark)

QUESTION 3

- a) Distinguish between correlation and regression analysis. (4 marks)
- b) The following data shows advertising expenditure and sales generated for a certain flavour of ice-cream in (000's).

Advertising expenditure	Sales
26	44
24	50
36	52
30	60
16	46
34	54
40	64
30	84
28	50
38	58

- i) Draw a scatter plot for the data and comment. (4 marks)
- ii) Estimate the least squares regression line. (6 marks)
- iii) Calculate the coefficient of determination and interpret your answer. (4 marks)
- iv) Predict the sales when \$35 000 is budgeted for advertising. (2 marks)

QUESTION 4

- a) The table below shows the revenue and prices of products A, B, C and D sold by a company in 2016 and 2017.

2016 (\$)				
	Price	Revenue	Price	Revenue
A	5	400	8	640
B	8	560	14	700
C	9	450	12	360
D	12	288	15	300

Calculate:

- i) Laspeyres price index (3 marks)
- ii) Paasche price index (3 marks)
- iii) Fisher's price index and comment (4 marks)

- b) If $A = \begin{pmatrix} x & 9 \\ 2 & 6 \end{pmatrix}$ is a singular matrix. Calculate the value of x . (4 marks)
- c) i) Evaluate $\int_1^4 6x^2 + \frac{2}{x^4} dx$ (4 marks)
- iii) Differentiate with respect to x
 $y = 100x^2 - 3x^3$ (2 marks)

QUESTION 5

- a) State the four (4) components of a time series. (4 marks)
- b) The following data shows the number of females who visited a certain clinic for cervical cancer screening.

Year	Q_1	Q_2	Q_3	Q_4
2014	78	62	56	71
2015	84	64	61	82
2016	92	70	63	85
2017	100	81	72	96

- i) Calculate the 4 point moving average (6 marks)
- ii) Predict the number of females who will visit the clinic in Q2 of 2018. (10 marks)

QUESTION 6

- a) A random sample of Kwekwe residents was taken from different residential areas and each of the residents was asked to choose his/her favourite television channel. The results were as follows:

Residential area	Television Channel		
	ZTV	Supersport	Zeeworld
High density	35	45	20
Medium density	95	102	35
Low density	70	53	45

Test at 5% level of significance whether there is any association between the channel watched and residential area. (10 marks)

- b) A sinking fund of \$10 000 is to be created by making equal deposits at the end of every 6 months for 3 years, interest is 15% per annum compounded half yearly:

PAPER NO: 500/15/S06-QUANTITATIVE TECHNIQUES

- i) Calculate the periodic deposit into the fund. (4 marks)
- ii) Construct a sinking fund schedule. (6 marks)

QUESTION 7

- a)
 - i) Explain the major difference between a probability sampling technique and a non probability sampling technique. (2 marks)
 - ii) Give four (4) types of probability sampling techniques. (4 marks)
- b) what do you understand by the following terms:
 - i) Dummy activity (2 marks)
 - ii) Critical path (2 marks)
 - iii) Project (2 marks)
- c) A project consists of the activities listed below:

Activity	Preceding activity	Duration (weeks)
A	-	5
B	A	3
C	A	8
D	A	4
E	B	6
F	C	7
G	D, E, F	8

Draw a network diagram for the activities and determine the critical path.
(8 marks)

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

SUBJECT: Cost and Management Accounting I PAPER NO: 500/15/S09

DURATION: 3 hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

Non-programmable calculator

INSTRUCTIONS TO CANDIDATE

- 1. Answer all questions.**
- 2. Non-programmable calculators may be used.**
- 3. Present your answer in acceptable format.**
- 4. Show all workings where necessary.**

This paper consists of 5 printed pages.

QUESTION 1

a) Outline any four (4) uses of cost accounting. (4 marks)

b) You are given the following information for material X.

- Minimum usage 50 units per week
- Maximum usage 150 units per week
- Normal usage 100 units per week
- Re-order quantity 600 units
- Lead time 4 – 6 weeks

Calculate:

- i) Re-order level (3 marks)
- ii) Minimum stock level (3 marks)

c) In a factory, the wage rate is \$18 per hour. Each week has 48 hours. Time allowed to produce one unit is 25 minutes. Wage rate per unit produced is \$7,50. During one week, Abraham produced 180 units of the product. Calculate his wages under each of the following methods:

- i) Time rate (2 marks)
- ii) Piece rate (2 marks)
- iii) Halsey scheme (3 marks)
- iv) Rowan scheme (3 marks)

QUESTION 2

ATV Manufacturing company finds that while it can make component x, the same is available in the market at \$5,75 each, with all assurance of continued supply.

The breakdown of cost per unit is as follows:

	\$
Materials	2,75
Labour	1,75
Variable overhead	0.50
Fixed cost	<u>1,25</u>
	<u>6,25</u>

- a) The company is not sure whether it should continue to manufacture the component X or buy on the market. You are therefore required to advise management on the issue. (9 marks)

- b) Justify your advice if the supplier offers the component at \$4,85 each. (6 marks)
- c) What potential issues should management consider before it decides to buy from the supplier? Explain any five (5) issues. (5 marks)

QUESTION 3

A firm has three production departments and two service departments. An initial overhead distribution summary has been drawn up as follows:

		\$
production department	A	20 000
	B	16 000
	C	10 000
Service departments	X	3 800
	Y	2 500
		<u>52 300</u>

The costs related to the service departments are incurred as follows:

	A	B	C	X	Y
Service department X	25%	40%	22%	-	13%
Service department Y	45%	27%	20%	8%	-

Required:

Show the apportionment of overheads among the departments using:

- a) Direct method (7 marks)
- b) Repeated distribution/reciprocal method (10 marks)
- c) Define the following terms:
- i) Overhead cost (1 mark)
 - ii) Overhead apportionment (1 mark)
 - iii) Overhead allocation (1 mark)

QUESTION 4

Mabhero Ltd produces a certain kind of product and its production cost information for the month of June was as follows:

	\$
Material	8 000
Labour	4 000
Overheads	6 000

1 700 units were fully complete from the process while 500 units were incomplete and were at the following levels of completion:

Material	40%
Labour	80%
Overheads	20%

Required:

- a) i) Equivalent production units (7 marks)
 ii) Process account (10 marks)
- b) Define the following terms:
- i) By product
 ii) Joint product (3 marks)

QUESTION 5

David Whitehead Ltd is concerned with the cost of manufacturing a unique tracksuit for its newly found market in the sporting area.

The standard cost for a track suit is as follows:

- Cloth 3m at a cost of \$2 per metre
- Direct labour 4 hours at \$3/hour
- During the end of August 2023, 2000 track suits were produced

Actual expenditure was as follows:

- 6250m of cloth were used at a cost of \$11 250
- 7 800 direct labour hours at \$25 350

Required:

- | | | | |
|----|------|-------------------------------------|-----------|
| a) | i) | Direct material price variance | (3 marks) |
| | ii) | Direct material usage variance | (3 marks) |
| | iii) | Total direct material cost variance | (3 marks) |
| b) | i) | Direct labour rate variance | (3 marks) |
| | ii) | Direct labour efficiency variance | (3 marks) |
| | iii) | Total direct labour cost variance | (3 marks) |
| c) | | Define a budget. | (2 marks) |

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

SUBJECT: Tax Law and Practice 2

PAPER NO: 500/23/M11

DURATION: 3 hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1. Answer all questions.**
- 2. Candidates may bring into the examination room unmarked copies of ITA [Chapter 23:06], FA [Chapter 23:01], VAT Act [Chapter 23:12] and Estate Duty Act [Chapter 23:03].**
- 3. Take note of the Appendix at the end of the paper before answering the questions.**

This paper consists of 6 printed pages.

QUESTION 1

Zungura (Pvt) Limited is a mining company operating in Kwekwe, Zimbabwe with its head office in China.

The company showed the following details for the year ended 31 December 2022.

INCOME	\$
Sale of minerals	2 400 000
Sale of mining claims	300 000
Profit from sale of tractor (1)	20 000
Interest from commercial bank	30 000
Bad debts recovered	15 000
	2 765 000
LESS EXPENSES	
General expenses	(400 000)
Depreciation	(130 000)
Provision for bad debts	(60 000)
Crushing of minerals	(140 000)
Penalty by ZIMRA	(150 000)
Lease premiums	(80 000)
Net Profit	1 805 000

Additional information:

1. Zungura sold the tractor at \$60 000.
2. Zungura Ltd incurred the following capital expenditure during the year ended 31 December 2022.

	\$
Clinic construction	800 000
Mine equipment	1 200 000
House of mine nurses	1 400 000
Mercedes benz (PMV)	1 200 000
Haulage truck	1 000 000
Shaft sinking	600 000

3. The unredeemed balance of capital expenditure (UBCE) at the beginning of the year was \$800 000.
4. The life of the mine was agreed to be 10 years as at 1 January 2022.
5. The company elected for life of mine for capital redemption allowance (CRA).

Required:

- a) Calculate the CRA for the year ended 31 December 2022. (10 marks)
- b) Calculate the taxable income for the year ended 31 December 2022. (10 marks)

QUESTION 2

Dube and Moyo are in a partnership business in Mutare, sharing profit in the ratio of 2:3 respectively.

The net profit for the year ended 31 December 2022 was \$1 000 000 after charging the following:

	\$
Depreciation	200 000
Salaries and wages – staff	100 000
Salaries: Dube	80 000
Moyo	60 000
Administration expenses	70 000
Architect fees	120 000
Penalty for late remittance of VAT	90 000
Pension contribution: Dube	60 000
Moyo	50 000
Joint life policy	150 000
Life policies for partners: Dube	40 000
Moyo	50 000
Medical expenses: Dube	20 000
Moyo	30 000
Bad debts written off	70 000
Subscriptions to SAAA: Dube	60 000
Moyo	40 000
Donations to a high school	20 000

Additional information:

1. The partnership owned the following assets as at 1 January 2022.

Assets	Cost \$
Equipment	10 000
Mercedes benz	10 000
Computers	24 000

2. The company's policy is to claim SIA.

Required:

- a) Calculate the partnership joint taxable income for the year ended 31 December 2022. (10 marks)
- b) Calculate the partners' taxable income for the year ended 31 December 2022. (10 marks)

QUESTION 3

- a) Define the following terms in relation to the Estate Duty Act and Trusts.
 - i) Executor (2 marks)
 - ii) Ascertained beneficiary (2 marks)
 - iii) Pre-death period (2 marks)
 - iv) Intervivos trust (2 marks)
 - v) Usufruct (2 marks)
- b) Mr. Masocha died on 4 March 2022 and his will specifically bequeathed to his mother a sum of \$40 000 and to his son an industrial building in Msasa Industrial Area. The rest of the estate was to be shared equally between the testator's son and daughter. The executor of the estate distributed these to the son and the daughter on 1 August 2022. The executor's first and final distribution account was confirmed by the Master on 1 December 2022.

Required:

- i) State the pre-death period. (1 mark)
- ii) State the post-death period (1 mark)
- iii) Explain how income which accrued in the post-death period will be assessed. (8 marks)

QUESTION 4

Musa Hardware Limited is registered operator for VAT under category C. The management accounts showed the following for the months of November and Decemeber 2023. All the amounts are VAT inclusive.

	November	December
	\$	\$
Sales	230 000	180 000
Sales returns	18 000	20 000
Purchases	93 000	90 000
Purchases returns	18 000	14 000

OPERATING EXPENSES		
Repairs and maintenance	9 540	7 810
Payroll expenses	49 600	52 000
Depreciation	5 690	5 690
Utility costs	810	1 684
Stationery	2 820	1 350
Cleaning materials	3 367	1 966

Required:

Calculate the VAT liability of Musa Hardware for the months ended 31 December 2023 on a month by month basis. (20 marks)

QUESTION 5

a) Explain the following terms in relation to ZIMRA returns and assessments.

- i) Estimated assessments (2 marks)
- ii) Additional assessment (2 marks)
- iii) Reduced assessment (2 marks)
- iv) Additional tax (2 marks)
- v) Self-assessment (2 marks)

b) Briefly explain any five (5) rights of the tax payers. (10 marks)

ANNEXURE

TAX RATES

PENSION CONTRIBUTION	\$
Retirement annuity fund	240 000
Combined contribution	240 000
	240 000
Bonus threshold	200 000
MOTORING BENEFITS	
Up to 1500cc	81 000
1501 to 2000cc	108 000
2001 to 3000cc	162 000
3001 to above	216 000
DEEMED COSTS – SPECIFIED ASSETS	
Passengers motor vehicle	800 000
School, clinic, hospital	1 300 000
Staff housing – Nurses, teachers	1 300 000
VAT	14,5%
Corporate tax rate	25%
Aids levy	3%
TAX CREDITS	
Elderly credit	117 000
Blindness credit	117 000
Mentally disabled	117 000

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NATIONAL DIPLOMA

IN

BUSINESS AND MANAGEMENT STUDIES

MODULE: Financial Accounting and Reporting 1 PAPER NO: 500/23/M02

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1) Answer all questions.
- 2) Silent non-programmable calculator may be used.
- 3) New solution of new question on a new page.
- 4) Show all workings.

This paper consists of 7 printed pages.

QUESTION 1

The following information was extracted from Kiyakiya Social club as at 31 December 2025

Receipts	\$
Joining fees	400
Subscriptions	20000
Donations	3500
Disco takings	4500
Bar sales	6000
Payments	
Secretaries fees	700
Barmans wages	500
Bar supplies	2000
Disco expenses	5000
New furniture	3000
Sundry expenses	400

Information pertaining to the club's assets and liabilities

	1 January 2025	31 December 2025
	\$	\$
Bank	1200	?
Subscriptions unexpired	300	700
Subscriptions in arrears	500	100
Owing for bar suppliers	150	380
Buildings	2000	1800
Bar stock	230	170

Additional information

- i) Furniture is depreciated at 10%.
- ii) Of the subscriptions owing on 1 January \$50 would not be recovered and were written off.

You are required to prepare

- a) Statement of affairs as at 1 January 2025. (6 marks)
- b) Subscriptions account (7 marks)
- c) Bar trading account (2 marks)
- d) Income and expenditure account (5 marks)

QUESTION 2

The following balances were extracted from the books of Ndonag Pvt Ltd as at 31 December 2024. The authorised share capital consisted 10000 ordinary shares of \$1 each and 4000 8% preference shares of \$1 each. There are two (2) directors who own the greater part of the shares.

Share premium	136
General reserve	40
Accounts receivable	1600
Accounts payable	100
Ordinary share capital	8000
7% preference share capital	3400
Inventory	488
Non current assets	14000
Distribution expenses	1930
Retained earnings	160
6% debentures	3000
Bank	23988
Administration expenses	1320
Investment in government boards	1000
Accumulated depreciation-non current assets	1880
Debenture interest paid	90
Gross profit	26800

Additional information

- Transfer \$500 to forex reserve and \$200 to general reserve.
 - Administration expenses owing \$40 and distribution expenses prepaid by \$20.
 - Directors are to be remunerated at \$500 each.
 - Depreciate non current assets at 10% p.a using diminishing balance method.
 - Proposed corporation tax is \$300.
 - Government bond investment earns 5% interest.
 - Dividends, at 12,5%, were proposed on ordinary shares.
- Required
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024. (4 marks)
 - Statement of Changes in Equity (7 ½ marks)

iii) Statement of financial position as at 31 December 2024.

(8 ½ marks)

QUESTION 3

The following statements of financial position of Josphat as at 31 December.

Assets	2024	2023
	\$	\$
Buildings	55000	50000
Machinery	86000	80000
Land	30000	20000
Cash	3600	4000
Debtors	38400	35000
Stock	22000	25000
Total assets	235000	214000
<u>Equity and liabilities</u>		
Capital	149000	148000
Creditors	41000	36000
Loan-Sibanda	20000	-
Loan-Bank	25000	30000
Total equity and liabilities	235000	214000

Additional information

- 1) During 2025, net profit for the year was \$27000 and drawings amounted to \$26000.
- 2) Accumulated depreciation machinery was \$27000 as at 31 December 2023 and \$36000 as at 31 December 2024.

Required

Prepare a statement of cash flows for the year ending 31 December 2024 using indirect method.

(20 marks)

QUESTION 4

Moyo and Sibanda are in partnership sharing profits and losses in the ratio 3:2. They decided to admit Nyathi as a partner on 1 May 2025 and the new profit sharing ratio become 3:2:1 respectively.

Statement of financial position as at 30 April 2025

Assets	\$	\$
<u>Non-current assets</u>		
Motor vehicles		6000
Office furniture		4000
		10000
<u>Current assets</u>		
Stock	2000	
Debtors	1200	
Bank	2500	5700
Total assets		15700
<u>Capital and liabilities</u>		
Capital Moyo		9000
-Sibanda		6000
		15000
Current accounts-Moyo	800	
-Sibanda	(400)	400
Total capital		15400
<u>Current liabilities</u>		
Creditors		300
Total Capital Liabilities		15700

Additional information

- a) Before admitting the new partner assets were revalued as follows:
- i) Motor vehicles \$4000
 - ii) Office furniture \$7000
 - iii) Stock \$1800
 - iv) 10% debtors was written off
- b) Nyathi paid \$2500 into the partnership,s bank account as capital.

Required

- i) Revaluation account (6 marks)
- ii) Partners capital accounts (3 marks)
- iii) Opening statement of financial position soon after the admission as at 1 May 2025. (11 marks)

QUESTION 5

Tawonga operates his business in departments, namely, X and Y from the following information you are required to prepare the departmental statement of profit or loss and other comprehensive income for the year ending 31 December 2024.

	Dept X	Dept Y	
	\$	\$	\$
Opening inventory	14000	12000	
Purchases	75100	69800	
Sales	100000	80000	
Return outwards	1100	800	
Salaries	9000	8500	
General expenses			11600
Rent and rates			8100
Insurance			1000
Carriage outwards			5400
Discount allowed			1800
Discount earned			1430
Accountancy charges			500
Carriage inwards			2860

Additional information

- i) Goods transferred from department X to Y worth \$5000 were not recorded.
- ii) General expenses are to be shared equally.
- iii) Insurance and accountancy charges are apportioned equally.
- iv) Closing inventory: Department X \$16600 and Y\$16800
- v) Area occupied is in the ratio 3:2 respectively

- vi) Discount earned apportion using purchases ratio
- vii) Rent and rates shared according to floor area
- viii) All other remaining expenses are apportioned using net sales ratios.

..../fk