



ZIMBABWE

**MINISTRY OF HIGHER AND TERTIARY EDUCATION,
INNOVATION, SCIENCE AND TECHNOLOGY
DEVELOPMENT**

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL DIPLOMA

IN

ACCOUNTANCY

MODULE: Corporate Law

PAPER NO: 500/23/M09

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

Unmarked copy of the Companies and other Business Entities Act 24:

INSTRUCTIONS TO CANDIDATE

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

This paper consists of 2 printed pages.

QUESTION 1

Examine situations where the Company's Corporate veil can be lifted.
(20 marks)

QUESTION 2

- a) Discuss the objective of judicial management. (12 marks)
- b) Examine the function of the promoter. (8 marks)

QUESTION 3

Discuss the rule in Foss vs Harbottle and its exceptions. (20 marks)

QUESTION 4

- a) Certain persons are prohibited from becoming members of Company. State any five (5) persons disqualified from being members of a company. (10 marks)
- b) Explain the distinction between a statutory meeting and an extra ordinary meeting. (10 marks)

QUESTION 5

According to the Companies and other Business Entities Act Chapter 24:31 the registrar may refuse to register a company using the name preferred.

- a) Identify and explain four (4) scenarios in which the registrar may refuse to register a company in the preferred name. (8 marks)
- b) The memorandum of Association is an official document which should be kept at the Company's Head Office.

Highlight four (4) clauses that form the Memorandum of Association.
(8 marks)

- c) State and explain two (2) advantages of incorporating a company. (4 marks)

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ACCOUNTANCY

MODULE: Corporate Law

PAPER NO: 500/23/M09

DURATION: 3 Hours

NOVEMBER / DECEMBER 2025 EXAMINATION

REQUIREMENTS

**Unmarked copy of companies and other Business Entities Act Chapter
(24:31)**

INSTRUCTIONS TO CANDIDATE

- 1. Answer all five (5) questions.**
- 2. Begin each answer on a fresh page.**

This paper consists of 2 printed pages.

QUESTION 1

- a) The Companies Act permits a company to alter its articles by special resolution. Identify and explain four (4) forms that alterations of the articles can take place. (8 marks)
- b) A Company may by special resolution alter the Conditions of its Memorandum. Analyse six (6) situations that may lead to the alteration of the memorandum. (12 marks)

QUESTION 2

The principle of legal personality was established in the leading case of Salomon vs Salomon and Company.

Explain in detail any five (5) situations where it is not applicable. (20 marks)

QUESTION 3

- a) Identify and explain any two (2) duties of the Company promoter. (8 marks)
- b) Detail four (4) remedies for the breach of promoter's duties. (12 marks)

QUESTION 4

State and explain any eight (8) duties of a Company secretary. (20 marks)

QUESTION 5

"The question of limited liability thus enshrined in the Act Chapter 24:3 is a mixed blessing. No doubt it helps to encourage enterprises in business by protecting the Entrepreneur from the worst consequences of failure, he can limit the amount of capital he is prepared to risk, but inevitably creates the danger of unscrupulously or unskilfully managed companies running up enormous debts and so affect trading with capital unwittingly provided by their creditors instead of their shareholders".

Discuss the above with regard to benefits and costs, if any of limited liability. (20 marks)



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NATIONAL DIPLOMA

IN

ACCOUNTANCY

**MODULE: Financial Accounting
And Reporting 2**

PAPER NO: 500/23/M08

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1. Answer any five (5) 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.**

QUESTION 1

Ok Supermarket Operates a branch in Karoi's town. All purchases are made by the head office in Harare and are invoiced to the branch at a mark-up of $33\frac{1}{3}\%$ The following branch transactions relate to the year ended 31 December 2021.

	\$
Branch opening stock at cost	7 650
Goods sent to branch at cost	90 000
Cash sales	60 000
Credit sales	10 680
Goods returned to head office at cost	1 800
Bad debts written off	500
Branch expense paid in cash	4 000
Goods damaged in branch store at cost	4 500
Goods Returned by customers at selling price	6 000

Required:

- a) Draw up the branch stock account using the memorandum method to calculate profit and loss. (10 marks)
- b) Trust owns a mine that he leased to Tinevimbo for 10years. Minimum rent for \$10 000 per annum and \$50 per tonne of gold Mined was agreed. In the 4th year minimum rent was increased to \$15 000.
- Short marking were recovered within two years after the year in which they would have occurred.
 - Royalties are paid at the end of each year.
 - During, the first 5 years of the lease production was as follows:

Year	Tonnes
1	90
2	180
3	220
4	300
5	280

Required: Prepare Trust/ Land lords Account

(10marks)

QUESTION 2

Below are the statement of Financial position for Landcruiser LTD and its wholly owned subsidiary Porsche LTD as at 31 December 2023.

<u>Assets</u>	Land cruiser	Porsche
<u>Non Current Assets</u>		
Land and Buildings	500 000	160 000
Motor Vehicles	400 000	70 000
Furniture	80 000	50 000
Investments in Porsche Ltd	280 000	
	1260 000	280 000
<u>Current Assets</u>		
Inventory	70 000	35 000
Accounts receivable	49 000	56 000
Bank	7 000	28 000
	1386 000	399 000
<u>Equity and Liabilities</u>		
Ordinary Share Capital	980 000	280 000
Reserves	371 000	77 000
	1351 000	357 000
<u>Current Liabilities</u>		
Accounts payable	35 000	42 000
	1386 000	399 000

Additional Information

- Land cruiser Ltd acquired the equity of Porsche Ltd when the reserves of the company were \$35 000 at 31 December 2022.
- Accounts receivable of Land cruiser Ltd are all made up of credit sales to Porsche Ltd and accounts payable Ltd are all made up of credit purchases from Land cruiser Ltd.
- Goods worth (selling Price) \$7000 which were sold to Porsche Ltd by Land cruiser Ltd were sent to the company on 30 December 2023 were only received on 3 January 2024.
- Land cruiser's mark-up on all goods sold to its subsidiary is $33\frac{1}{2}\%$.

Required:

The consolidated Statement of Financial position as at 31 December 2023 for the Land cruiser Ltd Group. (20marks)

QUESTION 3

The following figures were extracted from the books of Kay Ltd.

Statement of Financial position as at 31 December

<u>Assets</u>	<u>2022</u>	<u>2023</u>
<u>Non Current Assets</u>		
Premises	180 000	240 000
Plant and machinery	84 600	78 000
Investments at cost	50 000	48 000
	314 600	366 000
<u>Current Assets</u>		
Inventory	116 000	135 200
Accounts receivable	104 000	82 000
Short term investments	11 200	22 800
Cash	5 800	14 600
	551 600	620 600
<u>Equity and Liabilities</u>		
Share capital of \$1 each	179 800	239 800
General reserve	11 600	
Land revaluation reserve		60 000
Undistributed profit	70 000	94 000
	261 400	393 800
<u>Non-current Liabilities</u>		
10% debentures	120 000	100 000
<u>Current Liabilities</u>		
Bank Overdraft	87 200	31 800
Accounts payable	70 000	78 000
Taxation	8 000	11 000
Proposed dividend	5 000	6 000
	551600	620 600

Position And Loss Appropriation Alc for the year ended 31 December 2023.

	\$	\$
Net Profit before tax		32 400
Tax		12 000
		20 400
Interim dividend paid	2 000	
Final proposed dividend	6 000	8 000
Retained profit for the year		12 400

Additional Information:

- i) Profit for the year is after charging depreciation on plant and machinery for \$15 400.
- ii) During the year plant with a book value of \$10 000 was sold for \$19 600. The asset originally cost \$ 40 000.
- iii) The redemption of debentures was on 31 December 2023.

Required:

Prepare a statement of cash flows for year ended 31 December 2023 using the indirect method in compliance with IAS 7. (20marks)

QUESTION 4

The following relates to Faith and Truth who are in partnership sharing profits and losses in the ratio 2:1 respectively. At 31 December 2023 their statements of Financial position was as follows:

<u>Non- current Assets</u>	\$
Land and Buildings	50 000
Motor Vehicles	120 000
Furniture	15 000
<u>Current Assets</u>	
Inventory	40 000
Accounts receivables	30 000
Bank	10 000
	265 000
<u>Equity Liabilities</u>	
Capital Accounts : Faith	120 000
Truth	60 000
<u>Non- Current Liabilities</u>	
Loan from CBZ	52 500
Current Liabilities	
Account payables	32 500
	265 000

Faith and Truth decided to expand their business. They then formed a company F and T Ltd to take over their partnership from 1 January 2024. The takeover was made on the following terms:

- All liabilities were taken over by the company.
- The assets were taken over at the following values.

	\$
Land Buildings	60 000
Motor vehicles	140 000
Furniture	15 500
Inventory	37 500
Accounts receivable	30 000

- The bank balance remaining after \$ 1000 dissolution expenses was also taken over.
- The purchase price was payable by the issue of \$ 210 000 ordinary shares of \$1 each to the partners.

i) Realisation Account (6marks)

ii) Partners Capital Accounts (4marks)

iii) Business Purchase Accounts (10marks)

QUESTION 5

Applications were invited by the directors of Hove Restaurant for 1000 of its \$1. Ordinary shares at \$1.10 per share payable as follows:

On Application	25c
On Allotment	35c including premium
On first call	25c
On final call	25c

- Applications were received for 1900 shares and it was decided to deal with them as follows.
- To reject applications for 400 shares.
- To allot the remainder of the available share on two for every three applied for.
- To utilise the surplus received on application as part payment of amounts due to allotment.

Required:

Show all the ledger accounts applicable to the issue of the shares. (20marks)

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NATIONAL DIPLOMA

IN

ACCOUNTANCY

MODULE: Managerial Economics

PAPER NO: 500/23/M10

DURATION: 3 Hours

NOVEMBER/DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

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

This paper consists of 4 printed pages.

SECTION 1

- a) Explain five roles of businesses in a society. (10 marks)
- (b) Discuss five problems associated with businesses in society. (10 marks)

QUESTION 2

The following information is given

- Fixed costs \$30 000
- Variable costs per unit are \$5
- Selling price is \$10
- Current production is 140 000 units

- (a) Calculate
- (i) Breakeven point in units and dollars. (4 marks)
- (ii) Margin of safety (2 marks)
- (b) Draw a break even chart (8 marks)
- (c) Evaluate the use of a break-even chart as a decision making tool. (6 marks)

QUESTION 3

The table below shows information that relates to maintenance costs per year and age of a machine.

Country	Maintenance cost	Age of a machine
1	300	40
2	700	55
3	2500	68
4	350	45
5	9000	80
6	5500	72
7	6500	75
8	1000	60

- (a) Determine the independent and the dependent variable (2 marks)
- (b) Draw a scatter plot and comment. (3 marks)
- (c) Estimate the regression equation. (13 marks)
- (d) Interpret the regression coefficients "a" and "b". (2 marks)

QUESTION 4

Explain the following pricing strategies to a business.

- a) Mark-up pricing (4 marks)
- (b) Marginalist pricing (4 marks)
- (c) Price penetration (4 marks)
- (d) Price skimming (4 marks)
- (e) Product – line pricing (4 marks)

QUESTION 5

- (a) Define capital budgeting. (4 marks)
- (b) GT Limited is a firm deciding to spread risk through diversification by either venturing into mining or undertaking urban housing development projects. The relevant cash flows for each proposed project are shown in a table below.

Year	Mining (\$)	Urban housing development (\$)
0	(3 000 000)	(3 400 000)
1	900 000	800 000
2	1 100 000	700 000
3	1 500 000	900 000
4	700 000	1 000 000
5	900 000	1 740 000
6	650 000	2 000 000
7	400 000	1 900 000

- (i) Calculate the payback period for each project. (6 marks)
- (ii) Justifying your answer, which project must be chosen on the basis of the payback techniques? (2 marks)
- (iii) Explain any two advantages and two disadvantages of using the payback method when selecting projects. (8 marks)

QUESTION 6

Discuss the following developmental issues

- | | | |
|-----|--------------------|-----------|
| (a) | Foreign investment | (4 marks) |
| (b) | Informal sector | (4 marks) |
| (c) | Growth points | (4 marks) |
| (d) | SADC | (4 marks) |
| (e) | COMESA | (4 marks) |

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