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# DMI-ST. EUGENE UNIVERSITY

ZAMBIA

DEGREE EXAMINATION – DECEMBER 2023

Semester: II

551 AC24 PRINCIPLES OF MANAGEMENT

Time: 3:00 Hours

Max. Marks: 100

Answer any FIVE Questions (5 x 20 = 100 Marks)

- What is the meaning of depreciation? (2 Marks)
  - What is the depreciation expense using the straight line method on an asset costing 10,000 if it has a useful life of 4 years and a salvage value of 2,000? (6 Marks)
  - State the merits and demerits of using Reducing balance method of depreciation. (12 Marks)
- List and explain the qualities of Good Accounting Information. (8 Marks)
  - Trial Balance for B General Dealers on the 31<sup>st</sup> December, 2022.

Details	Dr. (K)	Cr. (K)
buildings	110,000	
Land	400	
Inventory	6460	
Debtors	0	
Bank	2600	
Capital		48,150
Machinery	550	
Loan		70,000
Creditors		5670
Sales		48030
Sales returns	50	
Cost of goods sold	13060	
advertising	6500	

Membership fees	330	
Water & electricity	1900	
Telephone	800	
Salaries & wages	28,000	
Interest paid	1200	

- i) Prepare a profit and loss statement for B General Dealers.
  - ii) Prepare a balance sheet (Statement of financial position as at 31<sup>st</sup> December 2022). **(12 Marks)**
3. a) Describe the various examples of non-current liabilities. **(10 Marks)**
- b) As a fresh Graduate from DM st. Eugene University in Accounts and Finance, explain with points the importance of well-maintained and updated record keeping of accounting books in the business. **(10 Marks)**
4. a) Outline the steps to be followed for preparing final accounts for incomplete records under Conversion method. **(8 Marks)**
- b) Mr. John, who keeps his books using the single entry system (Incomplete records), has told you that his capital on 31<sup>st</sup> December 2019 was \$40,500, and on 1 January 2019, it was \$25,800. He further informs you that he has withdrawn \$3,500 for personal purposes. He has invested further capital of \$5,000.

**Required:**

- You are required to prepare a statement of profit and loss for the year ended on 31 December 2019. **(10 Marks)**
- c) Define the term incomplete records. **(2 Marks)**
5. a) List any eight applications of Data Base Management System (DBMS). **(10 Marks)**
- b) Discuss the components of Management System Access in Accounts. **(10 Marks)**
6. a) What is Database management system? **(3 Marks)**
- b) Explain the different types of Data Base Management System (DBMS). **(10 Marks)**
- c) Describe the entity-relationship diagram. **(7 Marks)**
7. a) List and explain various methods used in computing depreciation of an Asset. **(8 Marks)**
- b) An XYZ limited purchases a truck for \$5,000. It was estimated by the company that each year the truck will lose 40% of its value and will be left with a scrap value of \$1,000. Using the reducing balance method, calculate the depreciation expense for the first five years.

**(12 Marks)**

