NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2025_2 EXAMINATIONS

COURSE CODE: ACC419 CREDIT UNIT: 3 Units
COURSE TITLE: ADVANCED FINANCIAL ACCOUNTING
TIME ALLOWED: 2 1/2 HOURS
Instructions:

1. **Attempt question number one (1) and any other three (3).**
2. **Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your work/point in coherent and orderly manner.**

QUESTIONS

QUESTION 1 (a)

P Co has owned 75% of the share capital of S Co since the date of S Co's incorporation. Their latest statement of financial position are given below.

P CO STATEMENT OF FINANCIAL POSITION

	N	N
Assets		
Non-current assets		
Property, plant and equipment	50,000	
30,000 N1 ordinary shares in S Co at cost	30,000	
		80,000
Current assets		45,000
Total assets		125,000
Equity and liabilities		
Equity		
80,000 N1 ordinary shares	80,000	
Retained earnings	25,000	
		105,000
Current liabilities		20,000

Total equity and liabilities		125,000

S CO STATEMENT OF FINANCIAL POSITION

	N	N
Assets		
Property, plant and equipment		35,000
Current assets		35,000
Total assets		70,0000
	N	N
Equity and liabilities		
Equity		
40,000 N1 ordinary shares	40,000	20000
Retained earnings	10,000	
	50,000	50,000
Current liabilities		70,000
Total equity and liabilities		

Required:

Prepare the consolidated statement of financial position. **13marks**

QUESTION 1 (b)

Define the following terms:

a) Pre and post-acquisition profits

b) Pre-acquisition reserves

c) Post-acquisition reserves

d) Non Controlling Interest

e) Goodwill

12marks

QUESTION 2

List elements of financial statement and explain them. **15marks**

QUESTION 3

A) Before the adoption of International Reporting Standard (IRS) in Nigeria, the standards that guided the preparation of accounts were Statement of Accounting Standards (SAS) issued by the then Nigeria Accounting Standard Board. What are the complete set of financial statements as prescribed by SAS? **(7 marks)**

B) In order for the financial statement to be useful to the stakeholders of a business, they must embody certain qualitative characteristics. Explain them. **(8marks)**

QUESTION 4

Changes in Net Assets /Equity are normally caused by what factors? **(15marks)**

QUESTION 5

Explain the concepts under Group Accounts **(15marks)**