

SOUTHWESTERN UNIVERSITY NIGERIA

KM 20, SAGAMU-BENIN EXPRESSWAY, OKUN OWA, IJEBU-ODE, OGUN STATE.

1. The following are the summary accounts of Overseas Ltd in foreign currency (limas)
FACULTY OF SOCIAL & MANAGEMENT SCIENCES
DEPARTMENT OF ACCOUNTANCY
HND TO BSC CONVERSION PROGRAMME
2018/2019 FIRST SEMESTER EXAMINATIONS

Ordinary share	capital	630,000
Retained profits		80,000
		710,000

COURSE CODE: ACC 404 **COURSE TITLE: International Accounting**

Instruction: Answer question 1, and any other 2 questions. **TIME: 2 Hrs**

Net current assets	monetary	40,000
		880,000
Less long term loan		170,000
		710,000

1. The following are the summary accounts of overseas Ltd in foreign currency (limas)

Sales	900,000	Limas
Less depreciation		70,000
Ordinary share expenses		630,000
Other operating profits		820,000
Net profit before taxation		880,000
		710,000

During the year relevant exchange rate were:

1st January closing stock	at	2012 14
Average Net Average	for	cost 210,000
	at	year 40,000
		880,000
31st December closing stock		2012 11
Less long term loan		170,000
		710,000

MULTI-ENTERPRISES NIG LTD had acquired overseas Ltd on 1st January 2012 by subscribing N45,000 share capital in cash when the exchange rates was 14 limas to N1. The long term loan had been raised locally on the same date. On that day, overseas Ltd had purchased the plant and equipment for 700,000 limas, it is being depreciated by the straight line method over 10 years.

You are required to show the balance sheet and profit and loss account of overseas Ltd

in naira using:

During the year relevant exchange rate were:

(a) The closing January rate 2012 method 14

(b) The for temporary the method year 12

2. Fluctuation of exchange rate is one of the problem managers of multi-national enterprises must constantly address, if they must succeed in business

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3. You are required to comment on the nature of multi-national enterprises and state the factors affecting their growth.

4. You are required to show the balance sheet and profit and loss account of overseas Ltd in (a) Distinguished the following as contained in IAS using.

