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# Financial **Accounting**

**Tutorial Questions  
&  
Suggested Solutions**

**DR. D. O. MUKORO**  
With **DR. E. OVIA & DR. (MRS.) A. O. UMOREN**

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H-Link Excel  
141, Railway Line, Odi-Olowo,  
Mushin, Lagos State.  
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# PREFACE

In the past few years the accounting environment has changed, but with introduction of international financial reporting which is becoming a global issue, examiners are led to serious concern about their students.

There are a large numbers of students who take examination every year in financial accounting and not surprisingly, it is a subject in which textbooks abound but few suggested available. The questions and the suggested answers have been compiled specifically to cover the accounting for PE 1, PE 2, PE 3 for the Institute of Chartered Accountants of Nigeria, Association of Certified Accountants of England, Bsc (Accounting) are not left out.

The book covers the following areas:

- Group accounts, principles of consolidation, subsidiary and associated companies, accounting treatment of multinational groups.
- Accounting theory in relation to nature and the measurement of business income, depreciation, inventory valuation, goodwill, research and development and other deferred revenue expenditure.
- Recommendation on accounting principles and international financial reporting standards, statements on accounting practice.
- Theoretical aspects of financial statements construction and presentation.
- Uses and limitation of financial information.
- Interpretation of accounts, including means of accounting ratios and cash flow statement.
- Accounting treatment for re organization, reconstruction and amalgamation of partnership.
- There is also question on specialized organization such as bank, prudent and friendly society, insurance, companies and public authorities.

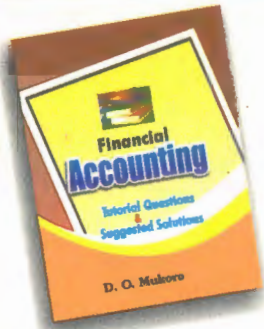
## HOW TO USE THE BOOK

- Each question is self contained area, thus enabling students to select topics out of sequence if necessary.
- The questions have been specially selected to highlight the principles involved irrespective of examination date and examination body.
- To obtain the maximum benefit from the manual it is suggested that the following sequence is followed:
  - a) The questions should be worked alone first and then a comparison made with detailed answer.
  - b) After a suitable time lag, each question should be worked without reference to the answer in the book.

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Dickson O. Mukoro Ph.D. Accounting, London, read in London Business School and lectured in London School of Accountancy. He has previously worked for British Transport Hotel, London as Accountant(1979-1982).



He is a member of various professional bodies and examinations. These are: Certified Internal Auditors (USA), Institutes of Taxation (London)

His recent major work is titled Accountability and transparency: Approach to effective techniques for fraud detection, prevention, control and safeguard revenue (Administration). Other books written by him are listed inside this book.

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