

**THE PRESIDENT'S OFFICE  
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT  
ILEMELA MUNICIPAL COUNCIL**



**FORM FOUR MID-TERM JOINT EXAMINATION MARCH, 2024  
BOOKEEPING**

**TIME: 3.00 HOUR**

**MARCH 2024**

**INSTRUCTION**

1. This paper consists of three sections A, B and C with a total of nine (9) questions.
2. Answer all questions in the sections A and B and two (02) questions from section C.
3. Section A carries 15 marks, section B carries 45 marks and section C carries 40 marks.
4. Cellular phones and any unauthorized materials are not allowed in the examination room.
5. Non programmable calculators may be used.
6. Write your Examination number on every page of your answer booklet(s)

**SECTION A (15 Marks)**

1. For each of the items (i) - (x) choose the correct answer from among the given alternative and write its letter beside the item number in the answer booklet provided
  - i. Tshs 500 cash taken from the cash till and banked is entered
    - A. Debit cash column Tshs. 500 : Credit bank column Tshs. 500
    - B. Debit bank column Tshs. 500 :Credit cash column Tshs. 500
    - C. Debit bank column Tshs. 500 : Credit bank column Tshs. 500
    - D. Debit cash column Tshs. 500: Credit cash column Tshs. 500
    - E. Debit bank column Tshs. 500
  - ii. The capital in the business at start of the year was Tshs. 120,000. At the end of the year was Tshs. 142,000. Drawing was Tshs. 1,000 per month. What was the net profit for the year?
    - A. Tshs. 21,000
    - B. TShs. 35,000
    - C. TShs. 22,000
    - D. TShs. 34,000
    - E. TShs. 23,000
  - iii. If a non-trading organization operates a bar for profit purpose which of the following would determine if that activity made a profit or loss
    - A. Receipts and payments account
    - B. Subscription account
    - C. Income statement
    - D. receipts and expenditure statement
    - E. Statement of financial position

- iv. A business has the cost of goods sold worth TShs. 150,000 and the mark-up of 40%. Calculate the amount of sales for the business
- TShs. 210,000
  - TShs. 90,000
  - TShs. 102,000
  - Tshs. 150,000
  - TShs 60,000
- v. When comparing the performance of individual departments, which of the following statement should be compiled?
- Department account
  - Statement of financial position
  - Departmental current account
  - Departmental income statement
  - departmental income and expenditure
- vi. Kulwa and Dotto share profits and losses in the ratio 3:2. Their partnership recorded net profit of Tshs 1,400, interest on capital Tshs 420, partner's salaries Tshs 100 and drawings TShs 280. Determine Dotto's share of the profit
- 840
  - 650
  - 506
  - 464
  - 560
- vii. When customer return goods previous sold to him, the shopkeeper will use a document called
- Credit note
  - Order note
  - Invoice
  - Debit note
  - Purchases order
- viii. The following are the source of documents
- Cheque, invoice, cheque paid
  - Invoice, cash receipts, debit note
  - Sales, credit note, cheque
  - Credit note, debit note, cash
  - purchases, cash, cheque paid
- ix. Which of the following is not correct about the petty cashbook?
- It reduce the number of entries in the normal ledger
  - The cash spent every month is fixed
  - Cash spent is reimbursed every end of period
  - Petty cashier receives cash from chief cashier
  - Cash spent is reimbursed at the end of the year
- x. In government accounting a term family is referred to
- Mother, wife and children
  - All relatives
  - Wife and children
  - Father, wife and children
  - Mother, father, wife and children

2. Match the explanation of adjustments entries in column A with the corresponding names in column B by writing the letter of the correct response beside the item number in your answer booklet

COLUMN A	COLUMN B
i. The expenses that the business has incurred but not yet paid for at the end of accounting period The amount of revenue that business expects to receive but has not yet been received at the end of accounting period ii. The expenses which has been paid in advance, the benefits from which will be received in the next period iii. The amount of revenue which has already been received in the current accounting but related to the following financial year iv. The commulative sum of all depreciation expenses recorded for an asset v.	A. Prepaid income B. Accumulated depreciation C. Revenue expenditure D. Accrued expenses E. Prepaid expenses F. Accrued income G. depreciation H. Accrual basis

### SECTION B (45 Marks)

3. MASSOUD who owned a retailer business, is not aware of accounting concepts and principles, explain to him the following concepts so that he can understand and apply in his business
- i. Money measurement concept
  - ii. Business entity concept
  - iii. Historical cost concept
  - iv. Dual aspect concept
  - v. Going concern concept
4. Magwe company Traders failed to prepare correct trial balance as seen below You as a student who is expected to sit for National Examination this year 2023. Assist Magwe Co. Traders to prepare correct trial balance basing to accounting principles and concepts

S/N	PARTICULARS	FOLIO	DEBIT	CREDIT
1	Wages		2,500	
2	Stock			3,500
3	Creditors		10,000	
4	Capital		26,000	
5	Water bills		15,000	
6	Discount allowed			4,000
7	Interest received			6,000
8	General expenses			1,000
9	Discount received		7,200	
10	Insurance		8,000	
11	Machine			9,500
12	Land		7,800	

13	Debtors		2,300	
14	Maintenance of machines			6,500
15	Advertising			1,800
16	Sales		5,000	
17	Purchases		7,000	
18	Loan from Said			36,600
19	Cash at Bank			21,900
			<b>90,800</b>	<b>90,800</b>

5. The following transactions were obtained from the books Bonge Motor cycle spare parts for the month of September 2016

2<sup>nd</sup> Sold the following to Zuberi on credit

20 tyres @ TShs 30,000 and 6 boxes of oil @ TShs 10,000, less 20% discount

8<sup>th</sup> Sold on credit to Mussa

16 boxes of bulbs @ TShs 10,000 and 10 side mirrors @ TShs 12,000 less 15% discount

19<sup>th</sup> Credit to A. Mpili TShs 24,000

25<sup>th</sup> Sold on credit to Mazengo

7 used motorcycles @ TShs 100,000 and 14 boxes of rubber @ TShs 15,000 less 25% discount

28<sup>th</sup> sold on credit spare parts to Josky TShs 30,000

### Required

Enter the above transactions in the sales Journal

6. You are well experienced and good book keeper, identify five (5) challenges facing the government accounting system in Tanzania

### SECTION C (40 Marks)

7. From the following transaction prepare the suspense Account and pass the Journal entries to rectify the following errors. Assuming that at the end of the trading period it was discovered that there was a difference of TShs 35,670 which was debited to the suspense account

- TShs 17,500 paid in cash for new electronic typewriter had been charged to office expenses account
- Drawing amounting worth TShs 12,500 by cheque were completely omitted from the books
- A purchase of goods from M. Batanga for TShs 25,000 were credited to the account of M. Batanga
- Sales of goods worth TShs 9,600 made to Meshack Co. Ltd account was correctly entered in the sales day book, but was posted to Meshack Co. Ltd account as TShs 10,600 while total sales of the month were over casted by TShs 1,000
- Goods purchased from Calorine Maguu & Sons for TShs 15,050 recorded in the purchases day book from the invoice as TShs 15,500 and posted to the purchases account and Calorine Maguu & Sons in the ledger accordingly
- A cash purchases of tools TShs 12,300 from Goodone hardware a supplier was entered in the cash book only

- g) A page in the purchases book was overacted by TShs 12,000
- h) the sales account was under casted by TShs 4,000
- i) The petty cash book balance of TShs 7,100 were omitted from the trial balance
- j) N.Cheupe was credited with TShs 7,740 instead of TShs 7,470
- k) A sale of TShs 14,000 was incorrectly credited to K. Haonga a debtor
- l) A payment of TShs 9,200 made for carriage on purchases was posted to carriage inwards account
- m) A cash discount of TShs 2,000 allowed to a debtor was correctly posted to his Account but was credited to discount received account.

8. From the following particular extracted from the book of trader. Prepare total accounts receivable and total accounts payable for the year ended 30<sup>th</sup> November

2022	Tzs
Balance on 1 <sup>st</sup> January 2022	
Sales-cash.....	344,890
- Credit.....	268,187
Purchases- cash.....	14,440
- Credit.....	496,600
Total receipt from customers .....	600,570
Total payment to suppliers .....	503,970
Discount Allowed (all to credit customers).....	5,520
Discount received (all from credit suppliers).....	3,510
Refund given to cash customers .....	5,070
Balance in the sales ledger set off against balance in the purchases ledger ....70	
Bad Debts written off.....	780
Increase in the allowance for doubtful debts.....	90
Credit note issued to credit customers.....	4,140
Credit note received from credit suppliers .....	1,480

According to the Audited Financial Statement for the previous year accounts receivable and accounts payable as at 1<sup>st</sup> December 2021 were TShs 26,555 and 43,450 respectively.

9. Naweza Company Limited own a manufacturing industry which had the following record for the year ended at 31st December 2021

Inventory (stock) at 1st January 2021	Tzs
Direct materials .....	10,000
Work in progress .....	38,000
Finished goods .....	40,000
Purchases ( Direct materials) .....	140,000
Carriage inwards .....	24,000
Direct wages .....	222,000
Direct expenses ( patent royalties ) .....	46,000
Indirect matereials .....	45,000
Indirect labour .....	72,000
Rent : Factory .....	100,000
: Office .....	90,000
Heating, lighting and power :Factory .....	45,000
Office .....	35,000

Sales .....	1,300,000
Administration salaries and wages .....	175,000

**Additional Information**

a) Inventory (stock) at 31<sup>st</sup> December 2021 was as follows

Direct materials TShs 18,000

Work in progress TShs 20,000

Finished goods TShs 60,000

b) Depreciation is to be provided on noncurrent assets as follows;

Factory building TShs 20,000

Factory machinery TShs 36,000 Office  
equipment TShs 24,000

c) Factory profit is to be calculated at 15% on the cost of production

**You are required to prepare;**

- i. Statement of manufacturing cost for the year ended 31<sup>st</sup> December 2021
- ii. Income statement for the year ended 31<sup>st</sup> December 2021