PRESIDENT'S OFFICE
REGIONAL ADMINISTARTION AND LOCAL GOVERNMENT

FORM FOUR EXAMINATION

062 BOOK KEEPING SERIES 38
TIME: 3 HOURS APRIL 2020

INSTRUCTIONS

1. This paper consists of section **A**, **B** and **C** with a total of nine (9) questions.
2. Answer **all** questions in section **A** and **B** and **two** (**2**) questions from section **C**.
3. Write all your answers in the answer sheets provided.
4. Write you examination number on every page of the answer sheets.
5. Non programmable calculators may be used.

SECTION A: (20 Marks)

1. For each of the items (i) – (x) choose the correct answer from among the given alternatives and write its letter beside the item number.

(i) In Partnership which of the following statements is correct.
A. Current account is used where fluctuating capital system is in use
B. Fixed capital is used where fixed capital system is in use
C. Current account is used where fixed capital system is in use
D. Fixed capital account is used where there is no partnership agreement
E. Current account is prepared before fixed capital account

(ii) Which of the following belong to the same class?
A. Building, machinery, stock, cash
B. Andrew, CRDB, wages Bank
C. ESAMI, Debtors, Creditors, Capital
D. Cash, Insurance, Furniture, Loan
E. Stock, Creditors and Cash

(iii) The two main types of business transactions are:
A. Cash and debit transactions
B. Debit and Credit transactions
C. Cash and Credit transactions
D. Cash and cheque transactions
E. None of the above

(iv) Which of the following should NOT be called sales?
A. Office fixtures sold
B. Goods sold on credit
C. Goods sold for cash
D. Sales of items previously included in purchases
E. None of these

(v) Discount received are:
A. Deducted when we receive cash
B. Given by us when we sell goods on Credit
C. Deducted by us when we pay our accounts
D. Allowed when we receive cash

E. Added by us when we pay our accounts

(vi) The best method of departmental ex penses distribution is to:

A. Charge against each department its controllable costs
B. Allocate expenses in proportion to sales
C. Allocate expenses in proportion to purchases
D. Allocate expenses in proportion to net sales
E. Distribute sales in proportion to expenses

(vii) Which one of the following is entered in the general journal?

A. Purchase of goods for resale
B. Purchase of fixed assets
C. Return inwards
D. Sale of goods on credit
E. Return outwards

(viii) One of the following reasons allow the goods to be returned to the supplier

A. Durable goods
B. Consumable goods
C. Perishable goods
D. Excess goods
E. Expired goods

(ix) Working capital means

A. Total of fixed assets plus current asset
B. Excess of the current assets over current liabilities
C. Amount of capital invested by the proprietor
D. Capital less drawings
E. Capital plus drawings

(x) Bank overdraft is best described as:

A. Having more receipts than payment
B. A firm wasting its money
C. A firm bought too many goods
D. The amount of money by which a bank account is withdrawn
E. A bank balance being a debit

(xi). Which of the following is the best definition of a statement of financial position:

A. An account providing the books balance
B. A record of closing entries
C. A statement of balances
D. A statement of assets and liabilities
E. An account which consist assets and liabilities

(xii). Depreciation is:

A. Amount spent to buy a fixed assets
B. The salvage value of the fixed assets
C. The part of the non current asset consumed during its period of use by the firm
D. The amount of money spent in replacing assets
E. The book value of the fixed assets

(xiii). In other word outstanding expenses is called?

A. Accrued income
B. Prepaid expenses
C. Expired expenses
D. Prepaid income
E. Un expired expenses

(xiv). When creating the provision for bad and doubtful debts, its double entry system should be:

A. Dr. Sundry debtors account Cr. Provision for bad debts account
B. Dr. Provision for bad debts account Cr. Profit and loss/Income statement
C. Dr. Profit and loss/Income statement Cr. Provision for bad debts account
D. Dr. Sundry Creditors account Cr. Profit and loss/Income statement
E. Dr. Balance sheet extract Cr. Profit and loss/Income statement

(xv). Given opening capital as Tshs 74,500, closing capital Tshs 46,200 and weekly drawings Tshs 275,then

A. Profit for the year was 14,000/=
B. Loss for the year was 14,000/=
C. Loss for the year was 15,900
D. Profit for the year was 16,800/=
E. Profit for the year was 60,500/=

2. Match the items in **Column A** with the responses in **Column B** by writing the letter of the correct response beside the item number.

COLUMN A	COLUMN B
(i). Is the process of putting or making actual entries in the account in a particular trading period.	A. Current assets B. Revenue expenditure
(ii). All prepaid expenses will be treated in the statement of financial position as	C. Provision for bad debts D. Capital expenditure
(iii). Amount of money set aside out of profit against bad debts	E. Adjustment
(iv). Expenditures use by the business firm to acquired a long term benefit for the business	F. Increase in provision G. Bad debts
(v). Provision which occur when the current provision for bad debts is less than the previous provision	H. Current liabilities I. Adjustment accounts
	J. Decrease in provision

SECTION B: (40 MARKS)

3. Write short notes on the following

(a) Floating capital
(b) Long-term liabilities
(c) Government accounting
(d) Nugatory expenditure
(e) An Ambit of vote

4. Mr. Jumanne is businessman, he operates his business for five years, and always keeps his records under single entry system. One day meet with his friend Mr. Malingumu and lend him Tshs. 10,000,000/=. After getting that amount of money Mr. Jumanne entered that amount in the business and he wants to keep his records under double entry system. You as a book keeper advice him by briefly explain three (3) advantages and three (3) disadvantages of single entry system.

5. By using sum of the years digits method show the five years calculations of a motor vehicle depreciation which costing shs. 128,000/= and lasting with a residual value of shs. 8,000.

6.The accounts of MJIMWEMA TENNIS CLUB are prepared at 31st December. Subscription expired and unexpired amounted to shs.12,000/= and shs.8,000/= respectively as at 31st December 2001.
During 2002 Shs.120,000/= was received in respect of the year 2002 including shs.12,000/= for the year 2001. The amount (Shs.120,000/=) also includes shs.10,000/= for the year 2003. Subscription not paid for the current year 2003 amounted to shs.12,000/=.
You are required to prepare current year's subscription account of Mji mwema Tennis Club showing clearly subscription in arrears and in advance including the transfer to statement of income and expenditure.

SECTION C (40 MARKS)

7. C. Mapunda had the whole of his stock stolen from his warehouse on the night of 1st October 2001. Also stolen were his sales and purchases journals, but the sales and purchases were salvaged. The following facts are known:

(a) Stock was known at the last balance sheet date, 31st May 2001; to be shs.124,800 at cost.
(b) Receipts from debtors during the period 1st June to 1st October 2001 amounted to shs.317,450/=. Debtors were: at 31st May 2001 shs.142,780/= at 1st October 2001 shs.123,330/=.
(c) Payments to creditors during the period 1st April to 1st October 2001 amounted to shs.172,700/=. Creditors were; at 31st May 2001 shs.76,330/=, at 1st October 2001 shs.62,890/=.
(d) The margin on sales has been constant at 25%.

Required:

Prepare an Income statement to show the figures of stock of goods stolen, sales and purchase (All workings should be shown clearly.

8. Cheupe and cheusi are in partnership sharing profits and losses equally. Interest on capital is allowed at 5% per annum.

Balance Sheet as at 1st June 2000

Capital Accounts:			**Fixed Assets:**		
Cheupe	150,000		Motor vehicle	250,000	
Cheusi	150,000	300,000	Machinery	170,000	420,000
Current Accounts:			**Current Assets:**		
Cheupe	2,500		Stock	20,000	
Cheusi	1,500	4,000	Debtors	15,000	
Long -Term Liabilities:			Cash	3,000	38,000
Mortgage loan		100,000			
Current Liabilities:					
Overdraft		20,000			
Creditors		34,000			
		458,000			**458,000**

Notes:

On 1st June 2000 the partners admit chekundu on similar terms making the following arrangements.

(i) Chekundu to pay in Tshs.150,000/= as capital

(ii) Chekundu to pay in Tshs.5,000/= to the credit of hi current account.

(iii) The money received to be paid into the firm's bank account and a cheque drawn immediately to repay a mortgage loan.

(iv) The profit for the year ended 31st May 2001 amounted to shs.142,500/=. The partner's drawings were as follows:
Cheupe Tshs. 45,000/=
Cheusi Tshs. 47,000/=
ChekunduTshs.50,000/=

Required:

(a) Show the Statement of the financial position of the new partnership on 1st June 2000 just after the admission of Chekundu.

(b) Prepare a profit and loss Appropriation account and the current accounts of the partners for the year ended 31st May 2001.

9. Karungu Yeye of Kyela - Mbeya consigned 3,000 cases of bar soap costing shs. 120 each to Kamongo of Tandale - Dares Salaam on 3rd January 2010. On 27 March 2010 Kamongo sent an account sales with a bank draft showing the following transactions:
(i). 2,500 cases were sold for shs. 590,000 and 250 cases were sold for shs. 125,000 and other 250 cases were remained unsold.
(ii). Port duty charges shs. 7,200 and storage charges shs. 8,200.
(ii). Commission on sales 5% plus 2% del credere on gross proceeds.
In addition to the above information the consignor (Karungu Yeye) incurred shs. 15,000 for insurnce and shs. 4,000 for freight when goods were sent to Kamongo.
Required: Prepare consignment to Kamongo account, goods sent account and consignee's account.