THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

SECONDARY SCHOOL CONTINUOUS ASSESSMENT

BOOK KEEPING – FORM ONE

ANNUAL EXAMINATION – NOVEMBER 2025

TIME: 2:30 HOURS

INSTRUCTIONS

1. This paper consists of Sections A, B, and C with a total of ten (10) questions.
2. Answer all questions.
3. Use blue or black ink for writing. Use pencil for drawings and tables.
4. Cellular phones and unauthorized materials are not allowed in the examination room.
5. Section A and C each carry 15 marks. Section B carries 70 marks.

SECTION A: MULTIPLE CHOICE AND MATCHING ITEMS (15 MARKS)

1. Choose the correct answer and write its letter in the space provided (i–x):

i. Book Keeping is best defined as:

A. The study of money and banking

B. The art of recording business transactions systematically

C. The science of calculating profit

D. The study of accounting standards

ii. Which one of the following is not a source document in Book Keeping?

A. Invoice

B. Cash receipt

C. Ledger

D. Credit note

iii. The double entry principle means:

A. Debiting one account only

B. Credit one account and ignore others

C. Every transaction affects two accounts

D. Recording transactions once

iv. Which of the following represents the basic accounting equation?

A. Assets + Capital = Liabilities

B. Assets = Liabilities + Capital

C. Liabilities = Assets + Capital

D. Capital = Liabilities - Assets

v. In Book Keeping, the account that records money owed by the business to suppliers is called:

A. Cash Account

B. Purchases Account

C. Creditors Account

D. Debtors Account

vi. The main purpose of preparing a Trial Balance is to:

A. Determine the selling price of goods

B. Test the arithmetic accuracy of ledger entries

C. Record daily transactions

D. Determine tax liability

vii. Which one of the following is classified as an asset?

A. Loan from bank

B. Furniture

C. Creditors

D. Capital

viii. Which document is used to return goods to a supplier?

A. Cash receipt

B. Credit note

C. Invoice

D. Cheque

ix. The statement that shows a business's income and expenses for a given period is:

A. Statement of Financial Position

B. Income Statement

C. Cash Flow Statement

D. Trial Balance

x. Posting transactions from the journal to the ledger is called:

A. Balancing

B. Double entry

C. Posting

D. Recording

2. Match the items in Column A with the correct responses in Column B:

COLUMN A	COLUMN B
i. Credit note	A. Shows assets, liabilities and capital
ii. Trial Balance	B. Statement of income and expenses
iii. Statement of Financial Position	C. Document for returning goods to supplier
iv. Ledger	D. Book containing individual accounts
v. Income Statement	E. List of balances to check arithmetic accuracy

SECTION B: STRUCTURED QUESTIONS (70 MARKS)

3.

(a) Define Book Keeping. (2 marks)

(b) State four (4) objectives of Book Keeping. (8 marks)

4.

(a) Explain the meaning of the Double Entry System. (4 marks)

(b) State three (3) rules of the Double Entry System. (6 marks)

5.

(a) Prepare journal entries for the following transactions: (6 marks)

- Started business with cash TZS 500,000
- Purchased goods on credit from John for TZS 200,000
- Paid rent TZS 50,000 by cash

(b) Post the above journal entries to the relevant ledger accounts. (4 marks)

6.

(a) State three (3) types of ledgers used in Book Keeping. (3 marks)

(b) Explain the purpose of each type of ledger stated in (a). (7 marks)

7.

(a) Explain three (3) causes of a Trial Balance not balancing. (6 marks)

(b) List any four (4) errors that do not affect the agreement of a Trial Balance. (4 marks)

8.

(a) Differentiate between an Income Statement and a Statement of Financial Position. (6 marks)

(b) List four (4) items that may appear on a Statement of Financial Position. (4 marks)

SECTION C: ESSAY QUESTIONS (15 MARKS)

9. Describe the importance of preparing financial statements to a business owner.
10. Explain the relationship between journals, ledgers, trial balance, and financial statements in Book Keeping.

END OF EXAMINATION