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**THE PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
KILIMANJARO REGIONAL COMMISSIONER'S OFFICE
FORM FIVE ANNUAL JOINT EXAMINATIONS (AJE)**



ACCOUNTANCY 1

Thursday, 29th 2025

Time: 3 Hours

INSTRUCTIONS

1. This paper consists of sections A and B with a total of eight (8) questions.
2. Answer all questions in section A and three (3) questions from section B.
3. Each question in section A carries ten (10) marks and in section B twenty (20) marks.
4. Workings must be shown clearly and submitted.
5. Non-programmable calculators may be used.
6. Cellular phones and any unauthorized materials are not allowed in the examination room.
7. Write your Examination Number on every page of your answer booklet(s)

Section A: Answer All Question (40marks)

Qn.1 Write short notes on the elements recorded in financial statements and give example of each.

Qn.2 Describe any five Quantitative Features of Accounting information.

Qn.3 Below is the statement of financial position of Kapande Enterprises as at 31st Dec 2021

	TZS	TZS
Non Current Assets		
Furniture	5,000,000	
Less: Acc. depreciation	<u>1,000,000</u>	4,000,000
Current Assets		
Stock	3,500,000	
Debtors	3,000,000	
Cash	7,275,000	
Bank	1,700,000	
Suspense	<u>6,850,000</u>	<u>22,325,000</u>
		26,325,000
Equity and Liabilities		
Capital	17,825,000	
Net Profit	8,000,000	
Less: Drawings	4,500,000	21,325,000
Current Liability		
Creditors		<u>5,000,000</u>
		26,325,000

After internal audit, the following errors were detected.

- Salaries paid were correctly recorded in cash book but wrongly posted in rent account amounted to TZS 3,950,000
- On 31st Dec. 2021, cash balance was TZS 7,725,000.
- Debtors account was under casted by TZS 2,000,000.
- Cash paid to Nuria amounted TZS 1,000,000 was debited to Nurhan as TZS 100,000.
- Discount received was posted to discount allowed amounting TZS 2,200,000.
- Purchase amounting TZS. 7,900,000 was recorded in cash book only.

You are required to prepare:

- i. Journal entries to rectify the errors
- ii. Statement of corrected net profit.

Qn.4 Haonga Jr. Ltd. Holds 50,000 ordinary shares of shs 2 each in Shomvi Master Ltd which ordinary Cost shs 130,000 at 1st January 2017.

10th January : Shomvi Master Ltd declared a 1 for 5 rights issue at shs 1.20 per share Haonga Jr Ltd took up 60% of its entitlement and sold the remaining at shs 0.50 per share.

15th February : Shomvi Master Ltd declared a bonus of 3 for 2 shares held.

20th March : Haonga Jr Ltd sold 20,000 shares for shs 2.50 each

10th June : Shomvi Master Ltd declared a dividend of 10% for shares held

You are required to open up Investment account in the books of Haonga Jr. Ltd for the year ended 31st December, 2000

Section B: Answer any three Questions (60 marks)

Qn.5 Dar es Salaam computing Centre provided the following information relating to computers in service at 30th September, 2019.

Computer Brand	HP	Dell	Accer	Lenovo	Toshiba
Year ended 30 th Sept.	2015	2016	2017	2018	2019
Original costs	370,000	410,000	390,000	450,000	455,000
Installation costs	30,000	20,000	30,000	25,000	35,000

The company depreciate its computers based on carrying amount at rate 20% annually. From 1st October 2019 the company decide to adopt the straight-line method of estimated residual value of 20,000 each and over an estimated useful line of 5years for each purchased new computer.

During the year ended 30th September 2020 the center purchased a used Apple Computer for TZS. 460,000, additional instillation cost of TZS 20,000 was paid and Dell Computer was sold for TZS 30,000. A whole year depreciation is provided for every computer on hand at the end of any accounting period, ignore depreciation in year of disposal.

In same year 2020 company incur TZS. 15,000 for computer repair but no efficiency capacity increases on computer following repair.

Required: Prepare the following accounts for the year ended 30th September 2020

- i. Computers account
- ii. Provision for depreciation account
- iii. Computer disposal account.

Qn.6 Mr. Abdullah, a retail Jeweler, extracted the following trial balance for his business as at 31st May, 2023

Details	Debit	Credit
Sales return/Sales	1,250,000	325,650,000
Cost of good sold	174,840,000	
Discounts	1,820,000	690,000
Insurance expenses	5,900,000	
Assistant wages expenses	33,100,000	
Telephone and email expenses	5,200,000	
Lighting and heating	6,230,000	
Security Guard wages' expenses	12,400,000	
Repair to premises expenses	3,970,000	
Acc. depreciation: Premises 1 st June		18,000,000
Acc. depreciation: Equipment 1 st June		4,800,000
Acc. depreciation: Shop fitting 1 st June		10,200,000
Rent and rates	17,000,000	
Sundry expense	3,940,000	
Premises at cost	60,000,000	
Equipment at cost	12,000,000	
Shop Fitting at cost	34,000,000	
Debtors/ Creditor	3,400,000	18,950,000
8% Debenture		720,000
Bank		2,325,000
Cash in hand	520,000	
Provision for Doubtful debts 1 st June		55,000
Website maintenance	1,430,000	
Publicity and Advertising	9,740,000	
Capital		58,630,000
Drawings	25,695,000	

Additional information

- Stock at 31st May 2023 was TZS.27,580,000
- Security guards were owed TZS 400,000 wages at 31st May 2023 and TZS TZS.200,000 was owing for telephone and email expenses.
- TZS 900,000 of charge for maintaining the website was paid on 1st January 2023 cover a year from the date.
- Provide provision for doubtful debts of 1% of the debtors.
- Depreciation is to be provided as follows.
 - o Premises are depreciated in equal instalment over 20 years period.
 - o Equipment is depreciated at 40% per annum by reducing balance method.
 - o Shop fittings are depreciated at 10% per annum by straight line method assuming no residual value.

Required: Prepare Mr. Abdullah's Income statement for the year ending 31st May 2023 and the Statement of financial position as at 31st May 2023.

Qn.7 The following represent some of the information related to Electrical Supplies Ltd at 31st December, 2021:

Turnover.	160,000
Gross profit	40,000
Average stock at cost price.	10,000
Expenses.	8,000
Tax rate	30%

Financial Position as that Date

Non-current assets.	108,000
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Current assets

• - Stock.	10,000	
• - Debtors	8,000	
• - Bank	<u>2,000</u>	20,000

Current liabilities.	10,000
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Capital.	118,000
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Calculate the following ratios and give interpretation of each ratio below:

- a. Gross profit ratio b. Net profit ratio
- c. Net profit as percentage of total capital employed d. Current ratio
- e. Quick asset/acid test ratio
- f. Return on Asset ratio
- g. Return on capital employed h. Return on equity

8. Kilway shop has a head office in Arusha and a branch at Miamba. Goods are purchased in Arusha and invoiced to and sold by the branch at margin 25% per cent. Other than a sales ledger which is kept at Miamba, all transactions are recorded in the books in Arusha.

The following information was extracted from the financial records of the Miamba branch for the year ended 31 December 2020:

Stock on hand on 1 January, 2020 at invoice price	60,000
Debtors on 1" January 2020	40,000
Stock on hand at 31" December, 2020 at invoice price	40,000
Goods sent to branch during the year at invoice price	350,000
Credit sale.	295,000
Cash sales.	34,000
Returns to head office at invoice price	25,000
Invoice value of goods stolen at the branch	8,000
Bad debts written off	2,000
Cash received from debtors	254,000
Normal loss due to wastage at invoice price.	3,000
Cash discounts allowed to debtors	5,500

Use the given information to prepare the following accounts:

- a. Branch Stock account with two columns b. Branch Debtors account
- c. Goods sent account