BOOK KEEPING MARKING SCHEME-FORM FOUR NEW

1. i. C

ii. C

iii. C

iv. B

v. A

vi. C

vii. E

viii. D

ix. C

xi. B

xii. A

xiii. B

xiv. D

xv. C

(15 marks @ 1 mark)

2.i. C

ii. D

iii. A

iv. E

v. B

(5 marks @ 1 mark)

3. (a) Is a concept which states that revenues should be recognized when transactions is made even if actually cash is not received

(b) Is a concept which states that any item recorded in books of ledgers should be material thing

(c) Is a concept which states that a business should operate for a long future without collapse

(d) Is a concept which states that business has two sides one is an asset and another is obligation against them

(e) Is a concept which states that anything recorded in the books of account should be in term of money value

(10 marks @ 2 marks)

4.

Dr Goods Send on Consignment Account Cr

Trading A/C	90,000	Consignment A/C	90,000

Dr Consignment Account Cr

Goods Send		90,000	Sales proceed	150,000
Consignor Expenses				
Marine insurance	1,200			
Advertising	6,000	7,200		
Consignee Expenses				
Storage charge	3,000			
Freight charge	7,000	10,000		
Commission		15,000		
Selling expenses		4,000		
Manufacturing profit		23,800		
		150,000		150,000

Dr Consignee Account Cr

Sales proceed	150,000	Storage charge	3,000
		Freight charge	7,000

		Commission	15,000
		Selling expenses	4,000
		Bank	124,000
	150,000		150,000

(10 marks 0.44 mark)

5.

Dr Bad Debts Account Cr

Mauja	1,200	Income Statement	5,400
Maulidi	2,300		
Mourine	1,900		
	5,400		5,400

Dr Provision for Doubtful Debts Account Cr

Balance c/d	100,000	Income Statement	100,000
	100,000		100,000
		Balance b/d	100,000

Statement Of Financial Position As At 31 December 2011

Current Assets

Debtors	2,500,000
Less: Provision for Doubtful Debts	100,000
	2,400,000

(10 marks @ 0.721)

6. (a) Revenues Expenditures

Refers to the expenditures which a business incurred for the day to day activities

While

Capital expenditures

Refers to hose expenditures a business incurred for building its development projects

(5 marks each 2.5 marks)

(b) Examples of capital expenditures

i. Buying a fixed assets

ii. Extending a fixed assets

iii. Installation costs

Examples of revenue expenditures

i. Buying goods for sale

ii. Paying salaries

(5marks @ 1 mark)

7. Dr Machinery Account Cr

1 January 2014 Cash (A)	100,000		
1 July 2014 Cash (B)	60,000	31 December 2014 Balance c/d	160,000
	160,000		160,000
1 January 2015 Balance b/d	160,000		
31 March 2015 Cash (C)	80,000	31 December 2015 Balance c/d	240,000
	240,000		240,000
1 January 2016 Balance b/d	240,000	7 October 2016 Disposal (A)	100,000
		31 December 2016 Balance c/d	140,000
	240,000		240,000
1 January 2017 Balance b/d	140,000	4 February 2017 Disposal (B)	60,000
6 February 2017 Cash (D)	90,000	11 October 2017 Disposal (D)	90,000

11 October 2017 Cash (E)	70,000	31 December 2017 Balance c/d	150,000
	300,000		300,000
1 January 2018 balance b/d	150,000		

Dr Provisions for Depreciation Account Cr

31 December 2014 Balance c/d	32,000	31 December 2014 Income Statement	3,2000
	32,000		3,2000
		1 January 2015 Balance b/d	3,2000
31 December 2015 Balance c/d	80,000	31 December 2015 income statement	48,000
	80,000		80,000
7 October 2016 Disposal (A)	40,000	1 January 2016 Balance b/d	80,000
31 December 2016 Balance c/d	68,000	31 December 2016 Income Statement	28,000
	108,000		108,000
4 February 2017 Disposal (B)	36,000	1 January 2017 Balance b/d	68,000
11 October 2017 Disposal (D)	18,000	31 December 2017 income statement	48,000
31 December 2017 Balance c/d	62,000		
	116,000		116,000
		1 January 2018 Balance b/d	62,000

Dr Machinery Disposal Account Cr

4 February 2016 Machinery (A)	100,000	7 October 2016 Provision for depreciation	40,000
31December2016ncome statement	60,000	Cash	120,000
	160,000		160,000
4 February 2017 Machinery (B)	60,000	4 February 2017 provision for depreciation	36,000

2017 income statement 6,000	Cash 30,000
66,000	66,000
11 October 2017 Machinery (D) 90,000	11 October 2017 Provision for depreciation 18,000
	Cash 70,000
	31 December 2017 income statement 2,000
90,000	90,000

(20 marks @ 0.313)

8. Income Statement For The Year Ended 28 February 2018

Details	Amount	Amount	
Sales			15,716,500
Less: cost of goods sold			
Opening Stock		412,000	
Add: purchases		9,280,000	
Cost of goods available for sale		9,692,000	
Less: closing stock		240,000	9,452,000
Gross profit			6,264,500
Add: discount received			16,000
Total Incomes			6,280,500
Less: expenses			
Rent	340,000		
Less: prepaid	23,000	217,000	
Wages and salaries	314,000		
Add: owing	16,000	330,000	
Discount allowed		82,000	

Van running costs	61,940		
Add: owing	7,200	69,140	
Bad debts written off		73,000	
Provision for Doubtful debts		9,100	
Depreciation:- office furniture		38,000	
delivery van		125,000	879,240
Net profit			5,401,260

Statement Of Financial Position As At 28 February 2018

	Amount	Amount	Amount
Details			
Fixed Assets:			
Office furniture	2,290,000		
Less: provision for depreciation	38,000	2,252,000	
Delivery van	2,309,000		
Less: provision for depreciation	125,000	2,184,000	4,436,000
Current Assets:			
Cash in hand		32,400	
Cash at bank		410,000	
Account receivable	123,160		
Less: provision for doubtful debts	49 ,600	73,560	
Inventories		240,000	755,960
Total assets			5,188,960
Financed By:			
Capital			1,140,000

Add: Net profit			5,401,260
Less: drawings			6,541,260
			1,710,000
			4,831,260
Current liabilities			
Account payable			524,500
			5,355,760

(20 marks @ 0.43)

9.

(a) Statement of Affairs as at 1 January 2017

Liabilities		Assets	
Accumulated fund	742,500	Fixed Assets	
		Building	500,000
		Current Assets	
		Cash at bank	202,500
		Subscription owing	40,000
	742,500		742,500

(b)

Dr Subscriptions Account Cr

Balance b/d (owing)	40,000	Cash year 2016	40,000
Income Statement	225,000	year 2017	206,000
		year 2018	60,000

Balance c/d (prepaid)	60,000	Balance c/d (owing)	19,000
	325,000		325,000
Balance b/d (owing)	19,000	Balance b/d (prepaid)	60,000

(c)

Statement of income and expenditure for the year ended 31 December 2017

Details	Amount	Amount
Incomes		
Subscriptions		225,000
Donations		5,400
Proceed of drama		9,500
Sale of waste papers		4,500
Total incomes		244,400
Less: expenses		
Salaries	60,000	
Printing and postage	20,000	
General expenses	7,500	
Drama expenses	4,500	
Stationary	1,500	
Municipal taxes	4,000	
Charity	3,500	
Electricity bills	1,450	102,450
Bad debts written off	9,000	
Net profit		132,950

(d)

Statement of financial position as at 31 December 2017

Details	Amount	Amount
Fixed Assets		
Building	500,000	
Less: provision for doubtful debts	25,000	475,000
Current Assets		
Cash at bank		425,450
Subscription owing		19,000
Total Assets		919,450
Financed By:		
Accumulated fund		742,500
Add: Net profit		132,950
		875,450
Current liabilities		
Subscription prepaid		60,000
General expenses owing		2,100
		935,450

(20 marks 0.45)