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KIRINJIKO ISLAMIC SECONDARY SCHOOL

CODES FORM FOUR EXAMINATION

BOOK KEEPING series 16

032

INSTRUCTIONS: **TIME: 3:00 HOURS**

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 **only two (2)** Questions from section C.
3. Non programmable calculators may be used.
4. Cellular phones and any unauthorised materials are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet/sheet(s).

SECTION A: (20 MARKS)

Answer **all** questions in this section.

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

(i) Given the cost of goods sold as TZS 800,000 and a margin of 20%, what is the percentage of the mark-up?

A. 40 B. 20 C. 25 D. 50 E. 75

(ii) The manufacturing account seeks to:

A. Production costs paid in the year
B. Cost of goods produced
C. Cost of goods sold
D. Gross profit of goods sold
E. Net profit of goods produced

(iii) Where there is no partnership agreement profit and losses must be shared:

A. In the same proportion as capital
B. Equally
C. In the same proportions as current a/c
D. Equally after adjusting capital balances
E. As required by the Gama vs Murray

(iv) Receipts and payment account does not show:

A. Cheques paid out during the year B. Accumulated fund
C. Receipts from sales of fixed assets D. Bank balance
E. Cash balance

(v) The transfer of values from one person to another is:

A. Transfer B. Distribution C. Transportation D. Recording
E. Transaction

(vi) Given that:

Opening stock	TZS 40,000
Sales	TZS 60,000
Closing Stock	TZS 30,000
Cost of goods sold	TZS 20,000

The amount of purchases is equal to:

A. TZS 50,000 B. TZS 40,000 C. TZS 10,000 D. TZS 60,000 E. TZS 20,000

(vii) A balance of an account can be defined as the:

A. Balance carried down
B. Difference between two sides of an account
C. Total amount of debit side and credit side
D. Balance brought down
E. Balancing figure of an account

(viii) The cash payment of TZS 3,000 to W. Nyangobi, entries will appear as follows:

A. Debit cash a/c, credit W. Nyangobi a/c
B. Debit W. Nyangobi a/c, credit cash a/c
C. Credit cash a/c, debit sales a/c
D. Debit W. Nyangobi a/c; creditor bank a/c
E. Credit cash a/c; debit W. Nyangobi a/c

(ix) Working capital means

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

E. Capital plus drawings

(x) Which of the following is correct?

A. Drawings increase capital B. Profit decreases capital

C. Loss increase capital D. Drawings are added to capital

E. Profit increase capital

(xi) The value of goods on the production of which is still on the process or semi-produced good is:

A. Prime cost

B. Factory over heat cost

C. Work-in-progress

D. Market value

E. Administration expenses

(xii) Refers to cost denotes to generate revenue

A. Expenses B. Depreciation C. Obsolescence C. Income E. Errors

(xiii) If an accumulated provision for depreciation account is in use then the entries for the year's depreciation would be

A. Debit profit and loss and Credit provision for depreciation account

B. Debit asset account, credit profit and loss

C. Credit asset account, debit provision for depreciation account.

D. Credit profit and loss account, debit provision for depreciation account

E. Credit provision for depreciation, debit asset account.

(xiv) The cutomer's personal accounts are kept in the

A. Personal ledger

B. Nominal ledger

C. Sales ledger

D. Purchases ledger

E. General ledger

(xv) The cost of borrowing money is called

A. Tax B. Interest C. Profit D. Duty E. Price

2. Match the items in LIST A with the responses in LIST B by writing the letter of the corresponding response beside the item number.

LIST A:	LIST B:
(i) Independent, competent and integrity	A. Margin
(ii) An officer to whom a warrant of funds has been issued.	B. Mark up
(iii) Accounts in which property of all kinds is recoded.	C. Debit note
(iv) A document sent to a customer showing an allowance given by a supplier in respect of unsatisfactory goods.	D. Credit Note
(v) Profit shown as a percentage or fraction of selling price.	E. Nominal account
	F. Real account
	G. Warrant of fund
	H. Warrant holder
	I. Qualities of an Auditor
	J. A substantive test in auditing

SECTION B (40 MARKS)

Answer **all** questions in this section.

3. Kinyasi Co. Ltd. had the following income statement for the year ended 31.3.2000

Dr | Cr

	TZS		TZS
Opening Stock	6,000	Sales	40,000
Purchases	30,000		
		Closing Stock	8,000
Gross Profit c/d	12,000		
	48,000		48,000
	======		======
General expenses	10,000	Gross profit b/d	12,000
Net profit	2,000		
	12,000		12,000

Calculate:

A. Cost of goods sold (C.O.G.S.)
B. Average Stock
C. The rate of stock turnover (R.S.T.)
D. Percentage of gross profit on turnover
E. Percentage of net profit on turnover

4. Write short notes on the following:

(a) Audit (b) Controller and Auditor General (C. & A.G.)
(c) An Ambit of vote (d) Bank reconciliation (e) Virement

5. Given the following information on subscriptions for the year ended 31st December 2015: Prepare the subscription account to determine the amount to be transferred to the income and expenditure account.

(i) Subscription in arrears on 1st Jan, 2015 TZS 4,000.
(ii) Subscription in advance on 1st Jan, 2015 TZS 1,200
(iii) Subscription received during the year TZS 48,920
(iv) Subscription in arrears on 31st Dec, 2015 TZS 2,100
(v) Subscription in advance on 31st Dec, 2015 TZS 8,900

6. A business had always made an allowance for doubtful debts at the rate of 2 percent of Debtors. On 1st January 2011 the amount for this, brought forward from the previous year, was shs 300.
During the year to 31st December 2011 the bad debts written-off amounted to shs 700.
On 31st December 2011 the Debtors balance was shs 17,000 and the usual allowance for doubtful debts is to be made.

Required;-

(a) The bad debts Account
(b) The allowance for doubtful debts Account
(c) Extract statement of financial position.

SECTION C: (40 MARKS)

Answer **two (2)** questions from this section.

7. (a) Mention any five reasons which may cause the cash book to differ with the Bank statement

(b) The following is the cash book and Bank Statement of GAPEX Ltd. for the month of June 1999

Dr Cash book Cr

1999		TZS	1999		TZS
5.6	Cheque Deposit	616	1.6	Balance b/d	1418
			14.6	Mbigo Co. Ltd.	289
24.6	Cheque Deposit	240			
30.6	Ongiri	212	27.6	Lingombe Co. Ltd.	126
30.6	Balance c/d	765			
		1833			1833
			1.7	Balance b/d	765

Bank Statement

1999		Dr	Cr	Balance
		TZS	TZS	TZS
1.6	Balance b/d	-	-	1418 Dr.
5.6	Cheque-Deposit		616	802 Dr.
14.6	Mbwiga Co. Ltd.	289		1091 Dr.
24.6	Cheque Deposit		240	851 Dr.
29.6	Kamala – Credit transfer		248	603 Dr.
29.6	NIC – standing order	154		757 Dr.
30.6	Bank charges	98		855 Dr.

Required:

(i) Adjust the cash book as at 30.6.1999

(ii) Prepare Bank Reconciliation statement as at 30.6.1999

8. Bugohe is a butcher, keeping his books on a single entry basis. His balance sheet as prepared by his accountant at 31st December 1996, is as follows:

Balance Sheet

Fixed Assets	60,000	Accumulated fund	80,000
Current Assets		Current Liabilities	
Stock	80,000	Creditors	70,000
Debtors	120,000	Loan	100,000
Unexpired Insurance	12,000	Owing expenses	50,000
Cash at Bank	28,000		
	300,000		300,000

He pays all his expenses by cheque and all his takings are banked daily. His receipts & payments as at 31st December 1997 is as follows:

Receipts & Payments

Date	Particular	Amount	Date	Particular	Amount
	Receipts	TZS		Payments	TZS
	Receipts from debtors	260,000		Payment to creditors	160,000
	Sundry receipts	32,000		Payment for expenses	60,000
				Wages	20,000
				Delivery Van	40,000
				Electricity & Water	6,000

Debtors for goods were TZS 140,000. Goods unsold in the stock were valued at TZS 100,000. TZS 20,000 of the expenses was in respect of insurance of which TZS 16,000 was unexpired. Creditors for goods amounted to TZS 80,000. The delivery van was bought on 1^{st} January 1997 and is to be depreciated at 10% p.a on cost.

<u>You are required to:</u>

(a) Find the sales for the period
(b) Find the purchases made by the trader.
(c) Prepare his income statement for the period ended 31^{st} December 1997.
(d) A Statement of Financial position as at that date 31^{st} December 1997.

9. Mr. A Mitinje extracted the following trial balance from his ledgers at 31 December 19-4

	Dr. (TTZS)	Cr (TTZS)
Petty cash ……………………...……	20	
Capital …………………………………		1596
Drawings ………………………………	1400	
Sales …………………………………...…		20607
Purchases …………………...………	15486	
Purchases Returns ……………………		210
Stock (1.1.19-4) ………………………	2107	
Fixture & fittings ……………………	710	
Debtors ………………………………	1819	
Creditors ………………………………		2078
Carriage on purchases ………………	109	
Carriage on sales ……………………	184	
Rent & rates …………………………	460	
Light & heat …………………………	75	
Postage & Telephone …………………	91	
Sundry Expenses ……………………	190	
Cash at Bank …………………………	1804	
Suspense account ……………………	36	
	24491	24491

The Trial balance did not agree. On investigation, Mr. A. Matinje discovered the following errors which had occurred during the month of December 19-4.

(a) In extracting the schedule of debtors the credit side of a debtors account had been overcast by TZS 10.
(b) An amount of TTZS 4 for carriage on sales had been posted in error to the carriage on purchases account.
(c) A credit note for TZS 17 received from a creditor had been not entered in the creditor's account.
(d) TTZS 35 charged by Builders Ltd, for repairs to Mr. A. Mitinje private residence had been charged in error to sundry expenses account.
(e) A payment of an electricity bill TTZS 21 had been entered correctly in the cash book but had been posted, in error to the postage and telephone account as TZS 12.

Required:

(a) The journal entries, without narration.
(b) The suspense account.
(c) The statement to correct net profit when the net profit before correction of error was TZS 2850.