THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF SECONDARY SCHOOL

BUSINESS SUBJECTS EXPERTS SYNDICATE 2020

SERIES 21

FORM FOUR BOOK KEEPING

062

TIME: 3 HOURS

INSTRUCTIONS

1. This paper consists of sections A, B and C with a total of nine (9) questions.
2. Answer ALL questions in section A and B and choose two (2) questions in section C.
3. Non programmable Calculator's may be used.
4. Cellular phones are not allowed in the examination room.
5. Do not write any thing on your question paper.

SECTION A: (20 MARKS)

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) The purchase of a machine for your own business paid for cheque, should be recorded in the double entry by:

	Debit	**Credit**
A.	Cash account	Machinery account
B.	Machinery account	Cash account
C.	Bank account	Machinery account
D.	Machinery account	Bank account

(ii) Smith has bought goods on credit from Robinson Smith returns some of the goods to Robinson. This should be recorded in the accounts of smith by:

	Debit	**Credit**
A.	Smith' s account	Returns Inwards account
B.	Returns outwards	Smith' s account
C.	Returns Inwards	Smith' s account
D.	Robinson' s account	Returns outwards account

(iii) A Bank statement brings into agreement

A. The cash book and Net profit
B. The statement received from creditor with personal account
C. The Bank statement balance with the cash book balance
D. The cash columns of the cash book with the petty cash book

(iv) A record maintained by each Accounting Officer and Warrant Holder for proper control of expenditure of public funds is called:

A. Cash book

B. Special Fund
C. Vote book
D. Receipt book

(v) An account where revenues collected by Government are deposited before allocating to Accounting officers is known as:

A. Bank account
B. Real account
C. Government account
D. Exchequer account

(vi) Which of the following is revenue expenditure

A. Purchase of a filing cabinet for the office
B. A quarterly electricity bill
C. Legal costs for purchase of property
D. Cost of extension to building

(vii) The cost price of an article is shs.4, and selling price is shs.5. The gross profit margin is:

A. 20% B. 80% C. 25% D. 30%

(viii) The sales ledger of a business contains:

A. Creditors accounts
B. The personal accounts of customers
C. The sales account
D. The accounts of suppliers

(ix) Which one of the following would you not take into account in calculating working capital?

A. Cash
B. Debtors
C. Motor vehicles
D. Creditors

(x) An error of principle is made if

A. A transaction has been completely omitted
B. An entry has been made on the wrong side of the two accounts concerned.
C. An entry has been made in the wrong class of account
D. A transaction is entered in both accounts for the wrong account

(xi) Income and expenditure account is

A. A real account. B. A nominal account. C.A personal account
D. None of the above

(xii) Given cost of goods sold as Tshs. 160,000 and Margin of 20%,then sales will be

A. Tshs. 201,600
B. Tshs. 136,000
C. Tshs. 210,000
D. Tshs. 200,000

(xiii). The day to day expenses used in running of the government are called

A. Development expenditure
B. Recurrent expenditure
C. Current expenditure

D. Nugatory expenditure

(xiv). The financial assistance from friendly countries which are not refundable

is called

A. Loans

B. Dividends

C. Grant's

D. Interest on investment

(xv). Which of the following statement is not a business transaction?

A.Receipts of cash against sales of goods.

B. Purchases of fixed assets for the business.

C. Payment wages to a shop attendant.

D. Payment of wages to a house boy.

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

LIST A:

(i) Is a monthly or quarterly summary, which the bank sends to its customers.

(ii) Is a document sent by a seller of goods to a buyer to correct an under-charge in an invoice.

(iii) Is all public revenue or any trust or other moneys held whether temporarily or otherwise by an officer in his official capacity either alone or jointly with any other person whether an officer or not.

(iv) Is said to be the main source of government revenue, which enable the government to finance its expenditure.

(v) Is a limit given to all accounting officers to whom public money can be expended upon during a given financial year.

LIST B:

A. Credit Note
B. Bank statement
C. Special fund
D. Debit note
E. Bank overdraft
F. Taxation
G. Vote Book
H. Ambit of Vote
I.

SECTION B: (40 MARKS)

3. Draw up a sales ledger control account from the following:

Sales ledger DR. Balances 1 May 2001	Tshs.49,500/=
CR. Balances 1 May 2001	Tshs. 320/=
Cr. Sales	Tshs.39,700/=
Return Inwards	Tshs. 1,350/=
Bad debts written off	Tshs. 460/=

Interest charged to customer on overdue date	Tshs. 110/=
Cash and cheques received from customers	Tshs.41,850/=
Customer' s cheque dishonoured	Tshs. 380/=
Credit balances on 31st May 2001	Tshs. 400/=
Debit balances on 31st May 2001	Tshs.46,110/=

4. Write short notes on the following:

   (a) Accruals expenses
   (b) Book keeping
   (c) Error of Omission
   (d) Capital expenditure
   (e) Revenue expenditure

5. The General Hardware stores owned by Peter Pius Samson and Temba who contributed shs.140,000/=, shs.150,000/=, shs.155,000/= and shs.165,000/= as capitals respectively. The Partners agreement provide that:

   (a) Each Partner has to share profits and losses equally.
   (b) Partners receive interest on capital at 10%.
   (c) Partners are to pay interest on drawings at 5%.
   (d) Each Partner receive a commission of shs.6,000/=
   (e) Peter and Pius receive a salary of Tshs.25,000/= each.
   (f) Samson and Temba receive a special allowance of Tshs.10,000/= each.
   (g) Their net profit was Tshs.260,000/- and drawings of each Partner were:

   Peter Shs.45,000/=, Pius Shs.42,000/=, Samson shs.35,000/= and Temba shs.50,000/=

   You are required to prepare:

   (i) Profit and loss appropriation account.
   (ii) Each Partner' s current account

6. The following information was extracted from the books of TWINS for the year ending 31st December 2017.

Purchases.	4,000,000
Stock. at start.	3,000,000
Stock at close.	600,000
Sales	5,000,000
Expenses.	400,0000
Rent received.	200,000
Wages	160,000
Carriage in ward.	100,000

Using the information provided Caclculate

(a) The value of goods available for sale
(b) The Gross profit or loss for the year
(c)The Net profit or loss for the year
(d) Rate of stock turnover
(e) Percentage of expenses over sales

SECTION C (40 MARKS)

Answer only two (2) questions in this section.

7. Dedlock has two departments (A and B). Some items of income and expenditure are allocated to the two departments. The remaining expenses are to be allocated to each department in the ratio: A two-fifths, and B three-fifths.

You are required to draw-up a Trading and Profit and loss account for the firm in columnar form so as to show the gross and net profit for each department and a Balance Sheet for the firm as a whole.

Items recorded directly for each department

	A	**B**
Opening stock	Shs. 8,000/=	12,000/=
Purchases	Shs.16,000/=	20,000/=
Closing stock	Shs. 9,000/=	4,000/=
Sales	Shs.38,000/=	52,000/=
Wages	Shs.10,000/=	15,000/=
Salaries	Shs. 5,000/=	8.000/=

Expenses to be allocated between departments are:

Heat and Light	Shs. 4,000/=
Rent and Rates	Shs. 1,200/=
Carriage Inwards	Shs. 1,000/=
Carriage outwards	Shs. 500/=
Office expenses	Shs. 2,000/=

Other balances are:

Creditors	Shs. 8,000/=
Debtors	Shs. 2,000/=
Cash at bank	Shs.15,000/=
Capital	Shs.21,700/=

8. Record the following transactions in (a) the Petty cash book, balance it to show the amount to be re-imbursed to the Petty cashier at the end of the week. (b) Post the appropriate ledger accounts.

1992	**Shs.**
January 1 Received from cashier	30,000/=
January 2 Paid bus fares	3,500/=
January 3 Bought Postage stamps	5,000/=
January 4 Bought stationary	2,500/=
January 5 Cash received from Maganga	2,000/=
January 5 Paid wages	3,000/=
January 6 Paid taxi fare	5,000/=
January 7 Paid postage & telegram	3,000/=

Draw a petty cash book with analysed columns for postages, Traveling, Stationery and sundries.

9. On 1st January 2008, Check Bibi and Cheki Bob Company ltd purchased three (3) type "A" Computer Machine for Tshs. 1,600 each.It depreciate it's assets at the rate of 10 %p.a on cost.

The policy of the company not to charge depreciation during the disposal , but the depreciation amount will be calculated when the fixed assets in existing till the end of the year .

The directors decided, as results of changes in demand for company's product to sell one type "A" computer machine on June 39th 2009. The price realized was Tshs. 8000. On July 1 St 2009 one type "B" computer machine costing Tshs. 2,000 was purchased to develop anew product.

On January 1st ,2910 the remaining "A" computers were sold for total price of Tshsm 1,000 and two more type "B" computers were purchased for Tshs. 2,200 each.

You are required to:-

(a) Set out the Machine (Computer) account and Provision for depreciation account for the three years 2008, 2009 and 2010.

(b) Show entry for Computer in the Statement of financial position as at 31st December 2010.

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