PRESIDENT`S OFFICE REDIONAL DMINISTRATION AND LOCAL GOVERNMENT

MADABA DISTRICT COUNCIL

FORM TWO MOCK EXAMINATION

BOOK KEEPING

TIME: 2:30 HOURS **July 21st 2025pm**

INSTRUCTIONS.

1.This paper consists of section A, B and C.
2.Answer all questions in all sections.
3.All answers should be in blue or black ink.
4.Write your examination number on every page of the sheet.

SECTION A (15 MARKS)

Answer all questions in this section.

1.For each of the items (i-x) choose the correct answer and write its letter besides the item number.

(i) Properties held in business for a long time are known as:-
- A. Assets.
- B. Current assets.
- C. Liabilities.
- D. Non-current assets.

(ii) Proper document used to deposit money in the bank account are called:-
- A. Bank statement.
- B. Invoice.
- C. Pay-in-slip.
- D. Payment voucher.

(iii) Which of the following are sources of government revenue.
- A. Taxation, central bank, ambit of vote.
- B. Taxation, dividends, ambit of vote.
- C. Taxation, grants, aids, interest from investments.
- D. Taxation, licenses fees, receiver of revenue.

(iv)The financial year of the government of the United Republic of Tanzania starts from?
- A. 1st January to 31st December each year.

B. 1st January to 31st December the following year.
C. 1st July to 31st December the following year.
D. 1st July to 30th June of the following year.

(v) The value of closing stock is found by?
A. Doing stock taking.
B. Adding opening stock to purchases.
C. Deducting purchases from sales.
D. Looking in stock.

(vi) Customers personal accounts are found in the?
A. Sales ledger.
B. General ledger.
C. Purchases ledger.
D. Private ledger.

(vii) Which of the following is not the objective of book-keeping?
A. Obtain job.
B. Business control.
C. Fair tax assessment.
D. Reliable financial position.

(viii) The descending order in which current assets should be shown in the statement of financial position is:
A. Stock, debtors, bank, cash.
B. Cash, debtors, bank, stock.
C. Debtors, stock, cash, bank.
D. Debtors, cash, stock, bank.

(ix) The excess of sales over the cost of goods sold is called?
A. Gross loss.
B. Gross profit.
C. Net loss.
D. Net profit.

(x) A credit balance in the cash column of the cash book means?
A. Posting error.
B. Totaling error.
C. More is spent than what has been received.
D. Principal error.

ANSWERS.

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)

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

LIST A	LIST B
(i)Any legal activity undertaken for the purpose of making profit. (ii) The amount of money with the petty cashier starts with each period. (iii) The process of recording transactions in a journal. (iv) The value of goods remaining unsold at the end of the trading period. (v) A statement showing the list of balances extracted from the ledger at a given date.	A. Closing stock. B. Trading. C. Posting. D. Statement of financial position. E. Recording. F. Goods in hand. G. Petty cash. H. Business. I. Opening stock. J. Float. K. Trial balance. L. Journalising.

SECTION B (40 MARKS)

Answer all questions in this section.

3. At the end of the month of May 31st 2024, Masawe balanced his cash book(bank column) which showed that, there was Tzs. 5,000,000 in his bank account but when he took the bank statement from NMB, it showed a credit balance od shs. 9,000,000. Explain five reasons for the balances to differ.

(i)……
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(ii)……
……

(iii)……
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(iv)……
……

(v)……
……

4. How do you understand by the following terms as used in government accounting?
(a) Controller and Auditor Genreral(C&AG)
(b) Exchequer Account.
(c) Vote.

(d) Accounting officer.
(e) Public money.
5.The government of the United Republic of Tanzania needs money in order to provide services to the people. Expalin (5) five sources of government revenue.
(i)……
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(ii)……
……
(iii)……
……
(iv)……
……
(v)……
……

6. Complete the following table.

S/NO	NAME OF ACCOUNT	TYPE OF ACCOUNT
(i)	Drawing account	
(ii)		Real account
(iii)	Insurance account	
(iv)		Personal account
(v)		Nominal account
(vi)	NHC Ltd account	
(vii)	Plant and machinery account	
(viii)	Capital account	
(ix)	Interest received account	
(x)	Stock account	

SECTION C (45 MARKS)

Answer all questions in this section.

7. The following trial balance was extracted from the books of Kakwaya General Merchandise as at 31st December 2021.

NAME OF ACCOUNT	DR(TZS)	CR(TZS)
Purchases and sales	1,600,000	2,000,000
Returns	50,000	30,000
Carriage on purchases	15,000	
Carriage on sales	5,000	
Discounts	40,000	35,000
Salaries	250,000	
Advertising	80,000	
Insurance	15,000	

Stock 1st Jan, 2021	300,000	
Motor van	500,000	
Premises	200,000	
Drawings	90,000	
Rent and rates	10,000	
Capital		1,090,000
	3,155,000	3,155,000

Stock as at 31st December 2021 was valued at shs. 800,000

Required:

Prepare income statement and statement of financial position for the year ended as at 31st December 2021.

8.On 31st December 2020, Naomi trader's cash book showed a debit balance of shs. 420,000/= and the bank statement showed a credit balance of shs. 396,000/=
The following transactions did not appear in the bank statement:-

(i) A cheque to John Tsh. 100,000
(ii) A cheque to Maua Tzs 4000
(iii) Cheque received from Nangasa Tzs 60,000
(iv) Cheque received from Moshi Tzs. 40,000

The items which did not appear in the cash book were:-

(i) Bank charges Tzs. 18,000
(ii) Bank interest received Tzs. 15,000
(iii) Cash paid direct into the bank account Tshs. 120,000
(iv) Standing order tzs. 145,000

Required:

(a) Adjust the cash book to show the correct balance.
(b) Prepare bank reconciliation statement starting with the balance as per bank statement.

9.Mjomba Co. Ltd made the following transactions for the month of January 2008.

2008, Jan 1 Cash balance Tsh. 140,000
” 1 Bank overdraft Tzs. 15,000
” 3 Cash purchases Tzs. 10,000
” 4 Paid cash into bank Tzs. 15,000
” 5 Cash sales to date Tzs. 10,000
” 6 Withdrew cash for office use Tzs. 12,000
” 7 Withdrew cash for personal use Tzs. 4000
” 8 Paid cash into the bank Tzs. 30,000
” 9 Cash drawings Tzs. 45,000

” 10 Paid cheque to James Tzs. 10,000
” 11 Received cheque from bank Tzs. 15,000

You are required to prepare two column cash book and bring down the balances as at 1st February 2008.