

**TEST SERIES EXAMS
BOOKKEEPING
SERIES 29**

Time: 3:00 Hours

Instructions

1. This paper consists of sections A, B and C with a total of **nine (9)** questions.
2. Answer **all** questions in sections A and B and **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(s).

SECTION A (20 Marks)

1. For each of the items (i) – (xv) choose the correct answer from among the given alternatives and write its letter beside the item number.
- (i) Cash float of TZS 52,000 is desired. If TZS 49,000 is spent in the period, how much will be re-imbursed at the end of the period:
A. TZS 2,000 B. TZS 98,000 C. TZS 49,000 D. TZS 52,000 E. TZS 3,000
- (ii) Which of the following is BEST describes the meaning of ‘Purchases.’
A. Items bought
B. Goods bought on credit
C. Goods bought for resale
D. Goods paid for
E. Goods on transit
- (iii) Work in progress is the
A. Sales less cost of goods sold
B. Sales plus cost of goods sold
C. Value of finished goods
D. Value of partly finished goods
E. Prime cost plus factory overhead expenses
- (iv) If the opening capital was TZS 16,500, closing capital TZS 11,350 and drawings were TZS 3,300
A. The loss for the year was TZS 1,850
B. The profit for the year was TZS 1,850
C. The loss for the year was TZS 8,450
D. The profit for the year was TZS 8,450
E. The profit for the year was TZS 11,35
- (v) Capital expenditure is:
A. The extra capital paid in by proprietor
B. The extra purchase of goods for sale
C. The cost of running the business on day to day basis
D. Money spent on buying fixed assets or adding value to them
E. Money spent on selling fixed assets
- (vi) When preparing a control account the total of returns inwards for the month should be entered on the:
A. Debit side of purchases ledger control account
B. Credit side of purchases ledger control account
C. Debit side of sales ledger control account
D. Credit side of sales ledger control account
E. In both sales and purchases ledger control accounts
- (vii) Which one of the following would you not take into account in calculating working capital?
A. Cash B. Debtors C. Motor vehicles D. Creditors D. Stock

- (viii) With fluctuating capital accounts interest on drawings must be:
- A. Credited to Partners' current accounts
 - B. Credited to Partners' capital accounts
 - C. Debited to Partners' current accounts
 - D. Debited to Partners capital accounts
- (ix) A revaluation account shows:
- A. Assets bought and assets sold
 - B. Goodwill written off
 - C. Goodwill sold
 - D. Goodwill premium
 - E. Gain or loss in value of assets
- (x) Which one of the following is entered in the general Journal?
- A. Purchase of goods for resale
 - B. Purchase of fixed assets
 - C. Return inwards
 - D. Sale of goods on credit
 - E. Return outwards
- (xi) Which of the following is a liability?
- A. Cash at bank.
 - B. Debtor
 - C. Building
 - D. Loan to Happy
 - E. Loan from Japhet
- (xii) The cost of transporting goods sold, to the customer's premises is known as:
- A. Carriage inwards.
 - B. Carriage outwards.
 - C. Carriage forward.
 - D. Carriage in advance.
 - E. Carriage cost.
- (xiii) Entries arise in the cash book when cash is paid into or drawn out of the bank for office are known as:
- A. Credit transaction.
 - B. Contra entries.
 - C. Bank entries.
 - D. Cash transaction.
 - E. Loan.
- (xiv) In the trading account the returns inwards should be:
- A. Added to cost of goods sold,
 - B. Deducted from purchases.
 - C. Deducted from sales.
 - D. Added to sales.
 - E. None of the above.

- (xv) Which of these statements is incorrect
- A. Profit is another word of capital.
 - B. A loss decrease capital.
 - C. Profit increase capital.
 - D. Drawings decreases capital.
 - E. None of the above.

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

LIST A:

- (i) Is a ledger where suppliers personal account are found.
- (ii) Is used when banking money in current account.
- (iii) Are entered in purchases Journal.
- (iv) The part of the cost of the fixed asset consumed during its period of use by the firm.
- (v) Is not a part of the double entry system

LIST B:

- | | |
|-----------------------|-----------------------------------|
| A. A cheque book | K. The Journal |
| B. Sales ledger | L. Gross profit |
| C. Private audits | M. Purchases ledger |
| D. Warrant of funds | N. Appreciation |
| E. Paymaster General | O. Internal audit |
| F. Net profit | P. Accounting officer |
| G. Purchases invoices | Q. External Audit |
| H. Statutory audits | R. Depreciation |
| I. Continuous Audit | S. Controller and Auditor General |
| J. Nominal ledger | T. A paying-in-slip |

SECTION B (40 Marks)

Answer **all** questions in this section

3. The accounts of HINDU MANDAL TENNIS CLUB are prepared annually at 31st December. Subscription in arrears and in Advance amounted to TZS 12,000 and TZS 8,000 respectively as at 31st December 2001. During 2002 TZS 120,000 was received in respect of the year 2002, including TZS 12,000 for the year 2001. The amounts (TZS 120,000) also includes TZS 10,000 for the year 2003. Subscription not paid for the current year 2003 amounted to TZS 12,000.

You are required to prepare current year's subscription account of Hindu Mandal Tennis Club showing clearly subscription in arrears and in advance including the transfer to income and expenditure account.

4. Write short note on the following:
- (a) Interim Audit
 - (b) Internal Audit
 - (c) Procedural audit
 - (d) Ambit of vote
 - (e) Accounting officer

5. Prepare a Bank reconciliation statement from the following information starting with the cash book balance and then Bank statement Balance.

	TZS
• Balance as per cash book.....	9,700
• Uncreditedcheque.....	2,000
• Unpresentedcheque.....	2,800
• Interest on Loan.....	600
• Dividends.....	1,500
• Standing order.....	1,100
• Credit transfer.....	3,400
• Interest on Bank overdraft.....	800
• Interest on Deposits.....	1,800
• Bank charges.....	900
• Direct Deposits.....	1,200

6. (a) Journalize the following opening balances which were obtained from the books of Mapunda at 1st January, 2005 and find out his capital.

	TZS
(i) Bank overdraft.....	1,890
(ii) Bill Receivable.....	3,800
(iii) Sundry creditors.....	4,600
(iv) Premises.....	7,800
(v) Bills Payable.....	1,800
(vi) Sundry Debtors.....	2,000
(vii) Fixture & Fittings.....	1,000
(viii) Stock.....	4,100
(ix) Cash Balance.....	7,200

- (b) Mrs. Songombingo sells his goods at 25% above cost. Her total sales for the year ended 31st December 19-5 were TZS 100,000. Her stock as at 1st January and 31st December was TZS 25,000 and TZS 30,000 respectively, Transport in costed him 500

Required: Income statement (trading account section) for the year ended 31.12.19-5

SECTION C (40 Marks)

Answer **all** questions in this section

7. The following is the Bank statement of Magwala for the month of December 2002

Bank Statement

DATE	PARTICULARS	DR	CR	BALANCE
01.12.2001	Balance b/f			8,000 DR
05.12.2001	Mwacha and Co.	2,000		10,000 DR
10.12.2001	Cheque		4,400	5,600 DR
15.12.2001	Pesambili	5,000		10,600 DR
18.12.2001	Bank charges	2,600		13,200 DR

20.12.2001	Dividends		3,000	10,200 DR
25.12.2001	Standing order	1,000		11,200 DR
30.12.2001	Credit transfer		6,000	5,200 DR
31.12.2001	Cheques		1,200	4,000 DR

Additional Information:

- (i) Cash book opening balance 1st December 2001 was TZS 8,000 (credit balance)
- (ii) Deposits in transit at 31st December 2001 – Mawazo TZS 2,400.
- (iii) Outstanding cheques – Mabula TZS 7,000.

Required:

- (a) Draw unadjusted cashbook
- (b) Draw adjusted cashbook.
- (c) Prepare a Bank Reconciliation, starting with the adjusted cash book balance.

8. You are required to record the following transactions into the books of prime entry (General ledger, sales Journal, Purchases Journal, Returns Journal and the cash book) Ledger entries are not required.

Jan. 1st 2002

Assets: Building TZS 80,000, motor vehicle 18,000, Fixtures TZS 24,000, stock TZS 51,560 cast at Bank TZS 50,160, cash in hand TZS 1,800 and loan J. James TZS 110,000.

Jan. 1 Paid rent by cheque TZS 600

Jan. 2 Goods bought on credit from Mashamba TZS 800
C. Chacha TZS 2,240; H. Komba TZS 1,520; N. Nyaturu TZS 2,760

Jan. 3 Goods sold on credit to Buherwa TZS 3,600
Benjamin TZS 2,240; Bupe TZS 3,120, Nyoni TZS 4,720

Jan. 9 Paid motor expenses in cash TZS 520

Jan. 11 Cash drawings for personal use TZS 800

Jan. 12 Goods sold on credit to Benjamin TZS 4,000
Ole Sobbai TZS 3,600

Jan. 13 Goods returned to the Business by Buherwa TZS 640 and Ole Sobbai TZS 720

Jan. 14 Bought another motor van on credit from Mtimbira TZS 12,000

Jan. 16 The following paid the firm their accounts by cheque less 10% cash discount;
Buherwa Nyoni; Ole Sabbai.

Jan. 19 goods returned by the firm to N. Nyaturu TZS 360

Jan. 22 Goods bought on credit from Mwamba TZS 3,560; Sikuja TZS 2,880

Jan. 24 The following accounts were paid by the firm by cheque less 10% cash discount. Mashamba; C. Chacha; H. Komba.

Jan. 27 Salaries paid by cheque TZS 2,240

Jan. 30 Paid electricity by cheque TZS 2,640

9. The following figures were taken from the books of Mitambo Mingi Company Ltd.

	TZS
Balances on Sales ledger DR	224,640
CR	2,940
Balances on Purchases ledger DR	2,360
CR.....	146,560

Transactions up to 31st December 2002

Sales to customers on credit	216,900
Cash sales during the year	40,000
Purchases on credit from suppliers	126,500
Allowances made to customers	3,740
Cash Purchases during the year	60,000
Goods Returned to Suppliers	2,460
Cash received from customers	192,900
Bad debts written off	1,700
Discount allowed to customers	9,920
Discount allowed to suppliers	8,240
Cash paid to suppliers	122,840
Cash repaid to customers	500
Transfer from sales ledger to Purchases ledger	11,960
Transfer from Purchases to sales ledger	4,280
Legal and other expenses charged to customers	700
Balances on sales ledger CR	2,200
Balances on Purchases ledger DR	1,780

Required:

- (a) Sales ledger control account
- (b) Purchases ledger control account