TEST SERIES EXAMS
BOOKKEEPING
SERIES 15

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)

Answer **all** question in this section

1. For each of the following choose the most relevant answer and write it in the answer sheet provided.

(i) Money invested by individuals under nonprofit making organization is known as:

A. Accumulated fund B. Capital employed
C. Consolidated fund D. Capital

(ii) If a sale invoice shows 12 items of TZS 250 each, less trade discount 20 per cent and cash discount 5 percent then the amount to be paid, if the payment is made within the credit period would be:

A. 2,500 B. 2,280 C. 2,360 D. 22,440

(iii) In the trial balance, the balance on the provision for depreciation account is:

A. Sometimes shown as a credit, sometimes as a debit
B. Shown as a debit item
C. Not shown, as it is part of depreciation
D. Shown as a credit balance

(iv) An Account Sale is a document containing:

A. particulars of consignment
B. commission and Del credere Consignee
C. Expenses incurred by the consignee
D. Gross price obtained

(v) In a sales ledger control account the debts recovered should be shown in the account:

A. As a balance carried down B. As a credit entry
C. Both as a debit and as a credit D. As a Debit entry

(vi) Unexpired insurance is shown as:

A. Both as a debit and as a credit B. As a credit
C. A liability D. An expense

(vii) Prime Cost is the total of:

A. Cost of production + manufacturing loss
B. Administrative costs + selling expenses
C. Manufacturing profit + Cost of production
D. Direct materials + Direct labour + direct expenses

(viii) Customer's personal account are found in:

A. Sales ledger B. Purchases ledger
C. General ledger D. The private ledger

(ix) Which of the following would be discovered by a trial balance?

A. Error on a purchase invoice
B. Overstated of total on wages account
C. Carriage outwards debited to sales account
D. Purchases from Beatrice Robert entered in Beatrice Augustine account

(x) The document which shows the firm's or the customer's amount as it stands at the bank:

A. Customer's Cash book B. Bank balance
C. Bank statement D. Bank Reconciliation Statement

(vi) 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 proportion as current account
D. As required by the Gama vs Murray.

(vii) If TZS 500 was shown added to purchases instead of being added to a non-current asset

A. Net profit only would be understated
B. Net profit only would be overstated
C. It would not affect net profit
D. Both gross and net profits would be understated

(viii) If creditors at 1st January 1993 were TZS 25,000, creditors at 31 December 1993 TZS 42,000 and payments to creditors TZS 320,000, then purchases for 1993 are:

A. 303,000 B. 337,000 C. 316,000 D. None of these

(ix) If beginning inventory is TZS 60,000, cost of goods purchased is TZS 380,000, and ending inventory is TZS 50,000, cost of goods sold is:

A. TZS 390,000 B. TZS 370,000 C. TZS 330,000 D. TZS 420,000

(x) The two main types of business transactions are:

A. Cash and debit transactions B. Debit and Credit transactions
C. Cash and Credit transactions D. Cash and cheque transactions

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) Is the overall fund of the United Republic to which the public money receipts are paid and from which all the expenditure funds for the purpose of meeting payments of the government is obtained.	A. Debtor B. Creditor C. Statement of financial position D. Trial Balance
(ii) Are expenses which are normally changing according to the volume of production?	E. Nominal Account F. Real Accounts
(iii) A list of account titles and their balances in the books on a specific date, shown in debit and credit columns.	G. Direct expenses H. Indirect expenses I. Consolidated fund
(iv) A person to whom the business is owed	J. Special fund
(v) Accounts in which payment and receipt of all kinds is recorded.	

SECTION B (40 MARKS)

Answer **all** questions in this section

3. On 31.12.1991 rates had been prepaid at TZS 200 and rates owing amounted to TZS 600. During the year 1992, TZS 4,200 had been paid in respect of rates including TZS 600 for the year 1991 and TZS 400 for the year 1993. Rates accrued for the current year amounted to TZS 120
Required: Prepare Rates account showing clearly the amount to be transferred to Profit and loss account, balances if any to be carried forward to 1993.

4. Write short notes on each of the following
   (a) Depreciation
   (b) Partnership deed
   (c) Nugatory expenditure
   (d) Petty cash
   (e) Bank reconciliation statement

5. Fixtures & fittings is to be depreciated by 10 percent per year for the accounting period of January 1st 1990 to December 31st 1990. On reducing balance method, based on modern method. The cost of fixtures and fittings is TTZS 200, 000.
Required: (show for 3 successive years)
   (a) Open the ledger account of fixture & fittings
   (b) Provision for depreciation account

6. (a) Classify the following expenditures into capital and revenue expenditures

Expenditure	**Type of expenditure**
(i) Buying a van	
(ii) Petrol cost for a van	
(iii) Repairs to a van	
(iv) Putting extra head light on a van	
(v) Buying machinery	

(b) Classify the following accounts whether personal, Nominal or Real accounts:

No.	NAME OF ACCOUNT	CLASSIFICATION
i	Wages	
ii	Land	
iii	NBC LTD	
iv	Capital	
v	Loan from Simon	

SECTION C: (40 MARKS)

Answer any two (2) questions in this section.

7. Kagwa, Mange, and Kole are partners sharing profits and losses in the ratio of 2:2:1 respectively. Kagwa draws TZS 100 every month, and Mange and Kole TZS 80 each every month, and the drawings being made on the last day of each month; interest on drawings and capital at 5 percent per year. A partnership salary of TZS 800 to Mange per year and TZS 600 to Kole per year. The profit for the year ending December 31st 1990 was TZS 1,600. Given the following additional information.

Additional information

	Kagwa	Mange	Kole
	TZS	TZS	TZS
Capital (1.1.1990)	10,000	8,000	3,000
Current accounts (1.1.1990)	900(Cr)	500(Dr)	100(Cr)

You are required to write up profit and loss appropriation account and current account.

8. The following trial balance was extracted from the books of R. Ramadhani a sole trader along Maduka Mengi in Shinyanga on 31st December 2006.

	Dr	Cr.
	TZS(000)	**TZS(000)**
Capital ……		13,000
Drawings……	2,700	
Debtors and Creditors……	2,535	2,250
Stock (1.1.2006)……	3,961	
Purchases and Sales……	14,500	22,400
Returns……	539	462
Wages and Salaries……	3,165	
Carriage Inward……	470	
Discounts……	354	330
Advertising……	313	
Bad debts……	110	
General expenses……	510	
Rates……	275	
Cash in hand……	80	
Cash at Bank……	330	
Motor vehicle……	1,100	
Premises……	7,500	
	38,442	38442

Additional information

(a) Wages due TZS 54,000

(b) Rates paid in advance TZS 65,000

(c) Motor vehicle to be depreciated by 20% p.a.
(d) Stock at31 December 2006 was valued at TZS 4,126,000

Required: Prepare a trading and profit and loss account for the year ending 31stDecember 2006 and a statement of financial position as at that date.

9. Massawe of Kilimanjaro, Palanjo of Arusha and Kimweli of Tanga, entered into joint venture.

Massawe and Palanjo are both to supply some of materials while only Kimweli will sell the goods. Profit and losses are to be shared in the ratio 3:2:1 respectively.

Details of their transitions are as follows:-

Jan.	1	Massawe supplied materials costing TZS 55,000
	20	Palanjo supplied materials costing TZS 40,000
	25	Massawe paid wages TZS 28,000
	25	Massawe paid storage expenses TZS 5,000
March	10	Palanjo paid for carriage TZS 10,000
April	15	Kimweri paid selling expenses TZS 22,000
May	21	Palanjo received cash from sales TZS 210,000
May	25	Mwenda received cash from sales TZS 210,000

Note: All outstanding balances between the parties are settle by cheque on 31st may, Show the joint venture account in the books of Massawe, Palanjo and Kimweri together with memorandum joint venture.

THE END